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ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2013
OF THE CONDITION AND AFFAIRS OF THE

CoventryCares of Michigan, Inc.

NAIC Group Code00001, 1137NAIC Company Code12193Employer's ID Number20-1052897

Organized under the Laws ofMichigan, State of Domicile or Port of EntryMichigan

Country of DomicileUnited States

Licensed as business type: Life, Accident & Health []Property/Casualty []Hospital, Medical & Dental Service or Indemnity []
Dental Service Corporation []Vision Service Corporation []Health Maintenance Organization [X]
Other []Is HMO, Federally Qualified? Yes [] No [X]

Incorporated/Organized04/22/2004Commenced Business10/01/2004

Statutory Home Office1333 Gratiot, Ste 400, Detroit, MI, US 48207

Main Administrative Office1333 Gratiot, Ste 400, Detroit, MI, US 48207, 313-465-1519

Mail Address1333 Gratiot, Ste 400, Detroit, MI, US 48207

Primary Location of Books and Records1333 Gratiot, Ste 400, Detroit, MI, US 48207, 313-465-1519

Internet Web Site Addresswww.CoventryCaresMI.com

Statutory Statement ContactKenyata J. Rogers, 313-465-1519, KJRogers@cvty.com, 313-465-1604

OFFICERS

Name	Title	Name	Title
Beverly Ann Allen	President and Chief Executive Officer	Kenyata Jamilea Rogers	Chief Financial Officer
John Joseph Ruhlmann	Corporate Controller	Elaine R. Cofrancesco #	Vice President & Treasurer

OTHER OFFICERS

Kevin J. Casey #	Senior Investment Officer	Shirley R. Smith	Secretary
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DIRECTORS OR TRUSTEES

Beverly Ann Allen	Michael J. Burgoyne	Pamela S. Sedmak #
Harvey Turner	Ernestine Romero	

State ofMichigan, ss
County ofWayne

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Beverly Ann Allen
President and Chief Executive Officer

Kenyata Jamilea Rogers
Chief Financial Officer

John Joseph Ruhlmann
Corporate Controller

Subscribed and sworn to before me this day of February, 2014

Rochelle D. Jenkins, Notary Public
12/25/2018

a. Is this an original filing? Yes [X] No []
b. If no:
1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	17,803,954		17,803,954	18,504,637
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$15,679,713 , Schedule E-Part 1), cash equivalents (\$6,968,529 , Schedule E-Part 2) and short-term investments (\$54,632 , Schedule DA).....	22,702,874		22,702,874	24,141,267
6. Contract loans (including \$premium notes).....			0	0
7. Derivatives (Schedule DB).....			0	0
8. Other invested assets (Schedule BA)	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	40,506,828	0	40,506,828	42,645,904
13. Title plants less \$ charged off (for Title insurers only).....			0	0
14. Investment income due and accrued	159,138		159,138	228,914
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premiums).....			0	0
15.3 Accrued retrospective premiums.....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset.....	369,832	21,583	348,249	324,153
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software.....			0	0
21. Furniture and equipment, including health care delivery assets (\$)	16,554	16,554	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care (\$857,943) and other amounts receivable.....	892,877		892,877	1,340,847
25. Aggregate write-ins for other than invested assets	57,999	25,247	32,752	2,172,279
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	42,003,228	63,384	41,939,844	46,712,097
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	42,003,228	63,384	41,939,844	46,712,097
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Tax Refund Receivable.....	32,752		32,752	2,172,279
2502. Prepaid Expenses.....	21,855	21,855	0	0
2503. Vehicles.....	3,392	3,392	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	57,999	25,247	32,752	2,172,279

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$227,369 reinsurance ceded)	15,995,805		15,995,805	19,344,078
2. Accrued medical incentive pool and bonus amounts	650,709		650,709	781,306
3. Unpaid claims adjustment expenses	135,947		135,947	148,082
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act.....			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves.....			0	0
8. Premiums received in advance	1,351,571		1,351,571	150,092
9. General expenses due or accrued	1,160,162		1,160,162	1,261,860
10.1 Current federal and foreign income tax payable and interest thereon (including \$0 on realized capital gains (losses)).....	656,085		656,085	580,016
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others	21,805		21,805	18,470
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	193,559		193,559	174,748
16. Derivatives.....			0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers).....			0	0
20. Reinsurance in unauthorized and certified (\$) companies.....			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	20,165,643	0	20,165,643	22,458,652
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	10	10
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	16,600,990	16,600,990
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	5,173,201	7,652,445
32. Less treasury stock, at cost: 32.1 .....shares common (value included in Line 26 \$)	XXX	XXX		0
32.2 .....shares preferred (value included in Line 27 \$)	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	21,774,201	24,253,445
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	41,939,844	46,712,097
DETAILS OF WRITE-INS				
2301.			0	0
2302.			0	0
2303.			0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	0
2501.	XXX	XXX		0
2502.	XXX	XXX		0
2503.	XXX	XXX		0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX		0
3002.	XXX	XXX		0
3003.	XXX	XXX		0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	484,486	535,706
2. Net premium income (including \$0 non-health premium income).....	XXX	163,629,952	173,059,035
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	102,562	110,430
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	163,732,514	173,169,465
Hospital and Medical:			
9. Hospital/medical benefits		105,461,506	109,197,097
10. Other professional services		6,484,947	6,819,642
11. Outside referrals			0
12. Emergency room and out-of-area		11,224,270	10,759,239
13. Prescription drugs		18,266,738	21,057,584
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		1,480,209	680,414
16. Subtotal (Lines 9 to 15)	0	142,917,670	148,513,976
Less:			
17. Net reinsurance recoveries		74,263	156,439
18. Total hospital and medical (Lines 16 minus 17)	0	142,843,407	148,357,537
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$0 cost containment expenses.....		1,740,102	1,555,822
21. General administrative expenses.....		13,205,599	14,682,410
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		0	0
23. Total underwriting deductions (Lines 18 through 22)	0	157,789,108	164,595,769
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	5,943,406	8,573,696
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		460,774	716,782
26. Net realized capital gains (losses) less capital gains tax of \$126,761		236,330	364,902
27. Net investment gains (losses) (Lines 25 plus 26)	0	697,104	1,081,684
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]		0	0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	6,640,510	9,655,380
31. Federal and foreign income taxes incurred	XXX	2,248,415	2,532,568
32. Net income (loss) (Lines 30 minus 31)	XXX	4,392,095	7,122,812
DETAILS OF WRITE-INS			
0601.	XXX		0
0602. Other Revenue.....	XXX	102,562	110,430
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	102,562	110,430
0701.	XXX		0
0702.	XXX		0
0703.	XXX		0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.			0
1402.			0
1403.			0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
2901.			0
2902.			0
2903.			0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	24,253,445	25,885,250
34. Net income or (loss) from Line 32	4,392,095	7,122,812
35. Change in valuation basis of aggregate policy and claim reserves		0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$		0
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax	45,683	(228,740)
39. Change in nonadmitted assets	82,978	(38,964)
40. Change in unauthorized and certified reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles		13,087
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)		0
44.3 Transferred to surplus		0
45. Surplus adjustments:		
45.1 Paid in	0	0
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		0
46. Dividends to stockholders	(7,000,000)	(8,500,000)
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital and surplus (Lines 34 to 47)	(2,479,244)	(1,631,805)
49. Capital and surplus end of reporting year (Line 33 plus 48)	21,774,201	24,253,445
DETAILS OF WRITE-INS		
4701.		0
4702.		0
4703.		0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0

CASH FLOW

Cash from Operations	1	2
	Current Year	Prior Year
1. Premiums collected net of reinsurance	164,831,431	172,858,173
2. Net investment income	664,378	935,755
3. Miscellaneous income	592,025	(1,108,939)
4. Total (Lines 1 through 3)	166,087,834	172,684,989
5. Benefit and loss related payments	146,363,770	148,873,958
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		0
7. Commissions, expenses paid and aggregate write-ins for deductions	15,059,534	16,300,151
8. Dividends paid to policyholders		0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	2,299,103	2,663,605
10. Total (Lines 5 through 9)	163,722,407	167,837,714
11. Net cash from operations (Line 4 minus Line 10)	2,365,427	4,847,275
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	11,722,151	15,191,295
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	12	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	11,722,163	15,191,295
13. Cost of investments acquired (long-term only):		
13.1 Bonds	10,792,216	10,094,622
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	1
13.7 Total investments acquired (Lines 13.1 to 13.6)	10,792,216	10,094,623
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	929,947	5,096,672
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0
16.5 Dividends to stockholders	7,000,000	8,500,000
16.6 Other cash provided (applied)	2,266,234	(2,107,179)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(4,733,766)	(10,607,179)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(1,438,392)	(663,232)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	24,141,266	24,804,498
19.2 End of year (Line 18 plus Line 19.1)	22,702,874	24,141,266

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE CoventryCares of Michigan, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	163,629,952	836,107	0	0	0	0	0	162,793,845	0	0
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue.....	0									XXX
5. Aggregate write-ins for other health care related revenues.....	102,562	0	0	0	0	0	0	102,562	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	163,732,514	836,107	0	0	0	0	0	162,896,407	0	0
8. Hospital/medical benefits	105,461,506	258,313						105,203,193		XXX
9. Other professional services	6,484,947	14,835						6,470,112		XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	11,224,270	33,464						11,190,806		XXX
12. Prescription drugs	18,266,738	89,303						18,177,435		XXX
13. Aggregate write-ins for other hospital and medical.....	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts.....	1,480,209							1,480,209		XXX
15. Subtotal (Lines 8 to 14)	142,917,670	395,915	0	0	0	0	0	142,521,755	0	XXX
16. Net reinsurance recoveries	74,263	706						73,557		XXX
17. Total hospital and medical (Lines 15 minus 16)	142,843,407	395,209	0	0	0	0	0	142,448,198	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ cost containment expenses.....	1,740,102	8,701						1,731,401		
20. General administrative expenses	13,205,598	66,028						13,139,570		
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	157,789,107	469,938	0	0	0	0	0	157,319,169	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	5,943,407	366,169	0	0	0	0	0	5,577,238	0	0
DETAILS OF WRITE-INS										
0501. WIC REVENUE.....	102,562							102,562		XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	102,562	0	0	0	0	0	0	102,562	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical)	847,076		10,969	836,107
2. Medicare Supplement				0
3. Dental only.....				0
4. Vision only.....				0
5. Federal Employees Health Benefits Plan				0
6. Title XVIII - Medicare				0
7. Title XIX - Medicaid.....	163,296,311		502,466	162,793,845
8. Other health.....				0
9. Health subtotal (Lines 1 through 8)	164,143,387	0	513,435	163,629,952
10. Life				0
11. Property/casualty.....				0
12. Totals (Lines 9 to 11)	164,143,387	0	513,435	163,629,952

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 – CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non- Health
1. Payments during the year:										
1.1 Direct	144,811,024	396,426						144,414,598		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	99,549	1,409						98,140		
1.4 Net	144,711,475	395,017	0	0	0	0	0	144,316,458	0	0
2. Paid medical incentive pools and bonuses	1,610,806							1,610,806		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	16,223,170	32,780	0	0	0	0	0	16,190,390	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	227,369	969	0	0	0	0	0	226,400	0	0
3.4 Net	15,995,801	31,811	0	0	0	0	0	15,963,990	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	650,709							650,709		
6. Net healthcare receivables (a).....	0									
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	19,596,734	33,291	0	0	0	0	0	19,563,443	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	252,655	1,672	0	0	0	0	0	250,983	0	0
8.4 Net	19,344,079	31,619	0	0	0	0	0	19,312,460	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	781,306	0	0	0	0	0	0	781,306	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct	141,437,460	395,915	0	0	0	0	0	141,041,545	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	74,263	706	0	0	0	0	0	73,557	0	0
12.4 Net	141,363,197	395,209	0	0	0	0	0	140,967,988	0	0
13. Incurred medical incentive pools and bonuses	1,480,209	0	0	0	0	0	0	1,480,209	0	0

(a) Excludes \$ loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct	4,802,240	15,595						4,786,645		
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	0									
1.4. Net	4,802,240	15,595	0	0	0	0	0	4,786,645	0	0
2. Incurred but Unreported:										
2.1. Direct	11,420,930	17,185						11,403,745		
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	227,369	969						226,400		
2.4. Net	11,193,561	16,216	0	0	0	0	0	11,177,345	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	0									
3.2. Reinsurance assumed	0									
3.3. Reinsurance ceded	0									
3.4. Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1. Direct	16,223,170	32,780	0	0	0	0	0	16,190,390	0	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	227,369	969	0	0	0	0	0	226,400	0	0
4.4. Net	15,995,801	31,811	0	0	0	0	0	15,963,990	0	0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	16,854	378,163	68	31,743	16,922	31,619
2. Medicare Supplement			0		0	0
3. Dental Only.....					0	0
4. Vision Only.....					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare					0	0
7. Title XIX - Medicaid.....	15,198,150	129,118,308	439,230	15,524,760	15,637,380	19,312,459
8. Other health					0	0
9. Health subtotal (Lines 1 to 8).....	15,215,004	129,496,471	439,298	15,556,503	15,654,302	19,344,078
10. Healthcare receivables (a).....					0	0
11. Other non-health.....					0	0
12. Medical incentive pools and bonus amounts	631,756	979,050		650,709	631,756	781,306
13. Totals (Lines 9-10+11+12)	15,846,760	130,475,521	439,298	16,207,212	16,286,058	20,125,384

(a) Excludes \$ loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A – Paid Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior .....	.0	.0	.0	.0	
2. 2009 .....	.0	.0	.0	.0	
3. 2010	XXX	.0	.3	.3	.3
4. 2011	XXX	XXX	137	187	187
5. 2012	XXX	XXX	XXX	240	257
6. 2013	XXX	XXX	XXX	XXX	379

Section B – Incurred Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior					
2. 2009					
3. 2010	XXX		.3	.3	.3
4. 2011	XXX	XXX	148	187	187
5. 2012	XXX	XXX	XXX	271	257
6. 2013	XXX	XXX	XXX	XXX	410

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Hospital and Medical

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2009.....	.0	.0		.0	.0	.0			.0	.0
2. 2010.....	24	.3		.0	.3	12.5			.3	12.5
3. 2011.....	364	187		.0	187	51.4			187	51.4
4. 2012.....	546	257		.0	257	47.1			257	47.1
5. 2013	836	379	5	1.3	384	45.9	31		415	49.6

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	557,170	557,020	556,839	556,780	556,760
2. 2009	147,122	163,100	163,529	163,440	163,408
3. 2010	XXX	140,690	154,685	154,685	154,635
4. 2011	XXX	XXX	136,465	151,549	151,499
5. 2012	XXX	XXX	XXX	133,598	149,580
6. 2013	XXX	XXX	XXX	XXX	130,097

Section B – Incurred Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	557,304	557,036	556,839	556,780	556,776
2. 2009	164,639	163,383	163,622	163,440	163,408
3. 2010	XXX	159,558	155,705	154,685	154,635
4. 2011	XXX	XXX	155,919	152,037	151,499
5. 2012	XXX	XXX	XXX	153,391	150,019
6. 2013	XXX	XXX	XXX	XXX	146,409

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Title XIX Medicaid

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2009.....	188,810	163,408	2,612	1.6	166,020	87.9			166,020	87.9
2. 2010.....	187,616	154,635	2,512	1.6	157,147	83.8			157,147	83.8
3. 2011.....	184,749	151,499	2,437	1.6	153,936	83.3			153,936	83.3
4. 2012.....	172,513	149,580	1,830	1.2	151,410	87.8	439		151,849	88.0
5. 2013	162,794	130,097	1,653	1.3	131,750	80.9	16,176	136	148,062	91.0

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE CoventryCares of Michigan, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	557,170	557,020	556,839	556,780	556,760
2. 2009	147,122	163,100	163,529	163,440	163,408
3. 2010	XXX	140,690	154,688	154,688	154,638
4. 2011	XXX	XXX	136,602	151,736	151,686
5. 2012	XXX	XXX	XXX	133,838	149,837
6. 2013	XXX	XXX	XXX	XXX	130,476

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	557,304	557,036	556,839	556,780	556,776
2. 2009	164,639	163,383	163,622	163,440	163,408
3. 2010	XXX	159,558	155,708	154,688	154,638
4. 2011	XXX	XXX	156,067	152,224	151,686
5. 2012	XXX	XXX	XXX	153,662	150,276
6. 2013	XXX	XXX	XXX	XXX	146,819

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2009	188,810	163,408	2,612	1.6	166,020	87.9	.0	.0	166,020	87.9
2. 2010	187,640	154,638	2,512	1.6	157,150	83.8	.0	.0	157,150	83.8
3. 2011	185,113	151,686	2,437	1.6	154,123	83.3	.0	.0	154,123	83.3
4. 2012	173,059	149,837	1,830	1.2	151,667	87.6	439	.0	152,106	87.9
5. 2013	163,630	130,476	1,658	1.3	132,134	80.8	16,207	136	148,477	90.7

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves.....	.0								
2. Additional policy reserves (a).....	.0								
3. Reserve for future contingent benefits.....	.0								
4. Reserve for rate credits or experience rating refunds (including \$ for investment income).....	.0								
5. Aggregate write-ins for other policy reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
7. Reinsurance ceded .....	.0								
8. Totals (Net) (Page 3, Line 4)	0	0	0	0	0	0	0	0	0
9. Present value of amounts not yet due on claims .....	.0								
10. Reserve for future contingent benefits .....	.0								
11. Aggregate write-ins for other claim reserves .....	.0	.0	NONE						
12. Totals (gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
13. Reinsurance ceded .....	.0								
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$for occupancy of own building)		30,464	409,003		439,467
2. Salaries, wages and other benefits		785,598	7,698,089		8,483,687
3. Commissions (less \$ceded plus \$assumed)			(50,078)		(50,078)
4. Legal fees and expenses		5,331	87,863		93,194
5. Certifications and accreditation fees					0
6. Auditing, actuarial and other consulting services		71,845	245,157		317,002
7. Traveling expenses		18,659	160,917		179,576
8. Marketing and advertising		2,412	349,219		351,631
9. Postage, express and telephone		40,111	240,901		281,012
10. Printing and office supplies		47,854	449,685		497,539
11. Occupancy, depreciation and amortization			17,381		17,381
12. Equipment		1,904	23,277		25,181
13. Cost or depreciation of EDP equipment and software		144,705	487,690		632,395
14. Outsourced services including EDP, claims, and other services			392,698		392,698
15. Boards, bureaus and association fees			104,574		104,574
16. Insurance, except on real estate		10,282	34,652		44,934
17. Collection and bank service charges					0
18. Group service and administration fees					0
19. Reimbursements by uninsured plans					0
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses					0
22. Real estate taxes					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes		4,316	153,703		158,019
23.2 State premium taxes			1,665,736		1,665,736
23.3 Regulatory authority licenses and fees					0
23.4 Payroll taxes		53,566	558,730		612,296
23.5 Other (excluding federal income and real estate taxes)			149		149
24. Investment expenses not included elsewhere				11,600	11,600
25. Aggregate write-ins for expenses	0	523,055	176,253	0	699,308
26. Total expenses incurred (Lines 1 to 25)	0	1,740,102	13,205,599	11,600	(a) 14,957,301
27. Less expenses unpaid December 31, current year		135,947	1,160,162		1,296,109
28. Add expenses unpaid December 31, prior year	0	148,082	1,261,860	0	1,409,942
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	0	1,752,237	13,307,297	11,600	15,071,134
DETAILS OF WRITE-INS					
2501. Other Administrative Expenses	0	523,055	176,253		699,308
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. Totals (Line 2501 through 2503 plus 2598) (Line 25 above)	0	523,055	176,253	0	699,308

(a) Includes management fees of \$5,547,330 to affiliates and \$to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a).....3,063	.....3,063
1.1	Bonds exempt from U.S. tax	(a).....	.....
1.2	Other bonds (unaffiliated)	(a).....520,369	.....450,720
1.3	Bonds of affiliates	(a).....0	.....
2.1	Preferred stocks (unaffiliated)	(b).....0	.....
2.11	Preferred stocks of affiliates	(b).....0	.....
2.2	Common stocks (unaffiliated) .....	.....0	.....
2.21	Common stocks of affiliates .....	.....0	.....
3.	Mortgage loans	(c).....	.....
4.	Real estate	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e).....18,719	.....18,591
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income	542,151	472,374
11.	Investment expenses		(g).....11,600
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g).....
13.	Interest expense		(h).....
14.	Depreciation on real estate and other invested assets		(i).....
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....11,600
17.	Net investment income (Line 10 minus Line 16)		460,774
DETAILS OF WRITE-INS			
0901.	.....	
0902.	.....	
0903.	.....	
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0
1501.	.....	
1502.	.....	
1503.	.....	
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		0

(a) Includes \$13,784 accrual of discount less \$147,612 amortization of premium and less \$21,324 paid for accrued interest on purchases.
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$0 paid for accrued dividends on purchases.
(c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$ paid for accrued interest on purchases.
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
(e) Includes \$18,117 accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
(f) Includes \$ accrual of discount less \$ amortization of premium.
(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$ interest on surplus notes and \$ interest on capital notes.
(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	(62)		(62)		
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)	363,141		363,141		
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	0	0	0	0	0
2.21	Common stocks of affiliates	0	0	0	0	0
3.	Mortgage loans	0	0	0	0	0
4.	Real estate	0	0	0		0
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments	12		12	0	0
7.	Derivative instruments			0		
8.	Other invested assets	0	0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	363,091	0	363,091	0	0
DETAILS OF WRITE-INS						
0901.	.....			0		
0902.	.....			0		
0903.	.....			0		
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums.....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	21,583	0	(21,583)
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets.....	16,554	30,898	14,344
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other-than-invested assets	25,247	115,464	90,217
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	63,384	146,362	82,978
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	63,384	146,362	82,978
DETAILS OF WRITE-INS			
1101.		0	0
1102.		0	0
1103.		0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501.		0	0
2502. Prepaid Expenses.....	21,855	109,036	87,181
2503. Auto.....	3,392	6,428	3,036
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	25,247	115,464	90,217

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	42,831	41,114	39,947	40,690	39,599	484,486
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	.0					
4. Point of Service.....	.0					
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0
7. Total	42,831	41,114	39,947	40,690	39,599	484,486
DETAILS OF WRITE-INS						
0601. ....	.0					
0602. ....	.0					
0603. ....	.0					
0698. Summary of remaining write-ins for Line 6 from overflow page .....	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory financial statements of the Company have been prepared in conformity with accounting practices prescribed or permitted by the Michigan Department of Insurance and Financial Services (DIFS). DIFS recognizes only statutory accounting practices prescribed or permitted by the State of Michigan for determining and reporting the financial condition and results of operations of an insurance company, which include accounting practices and procedures adopted by the National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures Manual ("NAIC SAP"). The Company's net income and capital and surplus as stated on a NAIC SAP basis and on the basis of practices prescribed or permitted by the State of Michigan were the same as of and for the years ended December 31, 2013 and 2012.

DIFS recognizes only statutory accounting practices prescribed or permitted by the State of Michigan for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under Michigan insurance laws. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Michigan. The State of Michigan has adopted prescribed accounting practices that differ from those found in NAIC SAP, in that provider advances are not allowed, and thus, must be non-admitted. The Company, however, did not have any amounts due from providers for advances for the years ended December 31, 2013 and 2012.

The accompanying statutory financial statements have been prepared in conformity with Statutory Accounting Practices ("SAP") and are not intended to conform with U.S. generally accepted accounting principles ("U.S. GAAP"). Significant variances between Michigan SAP and U.S. GAAP are as follows:

- Certain assets designated as non-admitted (e.g. receivables greater than 90 days old, prepaid assets, intangible assets, certain amounts of property and equipment, notes receivable and deferred taxes) are excluded from the balance sheet by a direct charge to surplus.
- Bonds generally are stated at amortized costs, except for bonds that are rated by the NAIC as class 3-6 which are reported as the lower of amortized cost or fair market value.
- Deferred tax assets and liabilities are determined and admitted in accordance with SSAP No. 101, Income Taxes –A Replacement of SSAP No. 10R and SSAP No. 10 ("SSAP No. 101"). SSAP No. 101 became authoritative guidance for accounting and reporting of income taxes beginning January 1, 2012 and replaced SSAP No. 10R, Income Taxes – Revised, A Temporary Replacement of SSAP No. 10. Changes in net deferred tax assets and liabilities are reflected as changes in surplus. Under U.S. GAAP, changes in such assets and liabilities are reflected in net income. In addition, statutory accounting requires an admissibility test for deferred tax assets, which is not required under U.S. GAAP.

A. Accounting Practices

	State of Domicile	2013	2012
<u>NET INCOME</u>			
(1) Company state basis (Page 4, Line 32, Columns 2 & 3)	Michigan	\$.....4,392,095	\$.....7,122,812
(4) NAIC SAP (1-2-3=4)	Michigan	\$.....4,392,095	\$.....7,122,812
<u>SURPLUS</u>			
(5) Company state basis (Page 3, Line 33, Columns 3 & 4)	Michigan	\$.....21,774,201	\$.....24,253,445
(8) NAIC SAP (5-6-7=8)	Michigan	\$.....21,774,201	\$.....24,253,445

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with the Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

NOTES TO FINANCIAL STATEMENTS

The Company applies the following significant accounting policies

Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the company uses the following accounting policies:

Investments:

1. Cash, cash equivalents and short-term investments

Cash and cash equivalents include all highly liquid instruments readily convertible to cash with a maturity of three months or less from the date of purchase. Short-term investments primarily consist of investments purchased with an original maturity of one year or less. The carrying amounts of cash and cash equivalents and short-term investments reported in the accompanying Statutory Statements of Assets approximate fair value. Drafts that have not been presented for payment and remain outstanding at the balance sheet date are reported as a liability in the Statutory Statements of Liabilities, Capital and Surplus.

2. Bonds

Bonds, which include special deposits, are carried at amortized cost, except for those bonds with an NAIC designation of 3 through 6 which are reported at the lower of amortized cost or fair value. The amount reported at fair value is not material to the financial statements. Bond premiums and discounts are amortized using the scientific interest method. When quoted prices in active markets for identical assets are available, the Company uses these quoted market prices to determine the fair value of bonds. This is used primarily for U.S. government securities. In other cases where a quoted market price for identical assets in an active market is either not available or not observable, the Company estimates fair values using valuation methodologies based on available and observable market information or by using a matrix pricing model. If quoted market prices are not available, the Company determines fair value using broker quotes or an internal analysis of each investment's financial performance and cash flow projections. The Company had no investments where fair value was determined using broker quotes or an internal analysis of financial performance and cash flow projections at December 31, 2013 and 2012. Bonds include all investments whose maturity is greater than one year when purchased.

The Company periodically reviews its bonds to determine whether a decline in fair value below the carrying value is other-than temporary. For bonds, other than loan-backed and structured securities, another-than-temporary impairment ("OTTI") shall be recorded if it is probable that the Company will be unable to collect all amounts due according to the contractual terms in effect at the date of acquisition.

Yield-related impairments are deemed other-than-temporary when the Company intends to sell an investment at the reporting date before recovery of the cost of the investment. Declines deemed to be OTTI are recognized as realized capital losses.

For loan-backed and structured securities, the Company records OTTI when the fair value of the loan backed or structured security is less than the amortized cost basis at the balance sheet date and (1) the Company intends to sell the investment, or (2) the Company does not have the intent and ability to retain the investment for the time sufficient to recover the amortized cost basis, or (3) the Company does not expect to recover the entire amortized cost basis of the security, even if it does not intend to sell the security and has the intent and ability to hold. If it is determined an OTTI has occurred because of (1) or (2), the amount of the OTTI is equal to the difference between the amortized cost and the fair value of the security at the balance sheet date and this difference is recorded as a realized capital loss. If it is determined an OTTI has occurred because of (3), the amount of the OTTI is equal to the difference between the amortized cost and the present value of cash flows expected to be collected, discounted at the loan-backed or structured security's effective interest rate and this difference is also accounted for as a realized capital loss.

The Company analyzes all relevant facts and circumstances for each investment when performing its analysis to determine whether an OTTI impairment exists. Among the factors considered in evaluating whether a decline is other-than-temporary, management considers whether the decline in fair value results from a change in the quality of the investment security itself, whether the decline results from a downward movement in the market as a whole, the prospects for realizing the carrying value of the bond based on the investee's current and short-term prospects for recovery and other factors. The risks inherent in assessing the impairment of an investment include the risk that market factors may differ from our expectations and the risk that facts and circumstances factored into our assessment may change with the passage of time. Unexpected changes to market factors and circumstances that were not present in past reporting periods may result in a current period decision to sell securities that were not other-than temporarily impaired in prior reporting periods.

3. The Company did not own any common stock at December 31, 2013.
4. The Company did not own any preferred stock at December 31, 2013.
5. The Company did not have any mortgage loans at December 31, 2013.
6. The Company did not have any securities on loan at December 31, 2013.
7. The Company has no investments in subsidiaries, controlled and affiliated companies.
8. The Company did not have any investments in any joint ventures, partnerships and limited liability companies at December 31, 2013.
9. The Company did not have any derivatives at December 31, 2013.
10. Premium deficiency calculations do not utilize anticipated investment income as a factor.
11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessary based on assumptions and estimates and, while

NOTES TO FINANCIAL STATEMENTS

management believes that amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

12. The Company has not modified its capitalization policy from the prior period.

13. Federal and state income taxes

In accordance with a written tax sharing agreement with an affiliate, the Company's current federal and state income tax provisions are generally computed as if the Company were filing a separate federal and state income tax return; current income tax benefits, including those resulting from net operating losses, are recognized to the extent realized in the consolidated return. Pursuant to this agreement, the Company has the enforceable right to recoup federal and state income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal and state income taxes.

Deferred income tax assets ("DTAs") and liabilities ("DTLs") represent the expected future tax consequences of temporary differences generated by statutory accounting as defined in SSAP No. 101. DTAs and DTLs are computed by means of identifying temporary differences which are measured using a balance sheet approach whereby statutory and tax basis balance sheets are compared. Current income tax recoverables include all current income taxes, including interest, reasonably expected to be recovered in a subsequent accounting period.

Pursuant to SSAP No. 101, gross DTAs are first reduced by a statutory valuation allowance adjustment to an amount that is more likely than not to be realized ("adjusted gross DTAs"). Adjusted gross DTAs are then admitted in an amount equal to the sum of paragraphs a. b. and c. below:

a. Federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse during a timeframe corresponding with Internal Revenue Service ("IRS") tax loss carryback provisions.

b. The amount of adjusted gross DTAs, after the application of paragraph a. above, expected to be realized within the applicable period and that is no greater than the applicable percentage as determined using the applicable Realization Threshold Limitation Table. The applicable period refers to the number of years in which the DTA will reverse in the Company's tax return and the applicable percentage refers to the percentage of the Company's statutory capital and surplus as required to be shown on the statutory balance sheet adjusted to exclude any net DTAs, electronic data processing equipment and operating system software and any net positive goodwill ("Stat Cap ExDTA").

The Realization Threshold Limitation Tables allow DTAs to be admitted based upon either realization within 3 years and 15 percent of Stat Cap ExDTA, 1 year and 10 percent of Stat Cap ExDTA, or no DTA admitted pursuant to this paragraph b. In general, the Realization Threshold Limitation Tables allow the Company to admit more DTAs if total DTAs as reported by the Company are a smaller percentage of statutory capital and surplus.

c. The amount of gross DTAs, after the application of paragraphs a. and b. above that can be offset against existing gross DTLs. In applying this offset, the Company considers the character (i.e. ordinary versus capital) of the DTAs and DTLs such that offsetting would be permitted in the tax return under existing enacted federal income tax laws and regulations and the reversal patterns of temporary differences.

DTAs for the year ending December 31, 2011 were recalculated pursuant to SSAP No. 101. If recalculation resulted in an adjustment to the December 31, 2011 admitted DTA balance, a "cumulative effect of changes in accounting principle" was recorded in 2012 as a separate component of surplus ("Cumulative effect of changes in accounting principles")

Changes in DTAs and DTLs are recognized as a separate component of gains and losses in surplus ("Change in net deferred income tax") except to the extent allocated to changes in unrealized gains and losses. Changes in DTAs and DTLs allocated to unrealized gains and losses are netted against the related changes in unrealized gains and losses and are reported as "Change in net unrealized capital gains (losses)", also a separate component of gains and losses in surplus.

The Company is subject to state income taxes in various states. State income tax expense is recorded in general administrative expenses in the Statutory Statements of Operations. For the years ended December 31, 2013 and 2012, the Company incurred state income tax expenses of \$139,157 and \$(1,455,933), respectively. The Company's state income tax recoverable of \$32,752 and \$2,172,279 at December 31, 2013 and 2012, respectively, was included in Aggregate Write-ins for Other Than Invested Assets. The Company had no state income tax payable at December 31, 2013 and 2012.

The Company is subject to a State of Michigan health insurance claims assessment. These assessment expenses are recorded in general administrative expenses in the Statutory Statements of Operations. The expenses for these assessments were \$1,665,736 and \$1,171,356 for the years ended December 31, 2013 and 2012, respectively. The Company's health insurance claims assessment payable of \$509,284 and \$514,297 at December 31, 2013 and 2012, respectively are

NOTES TO FINANCIAL STATEMENTS

included in general expenses due and accrued in the Statutory Statements of Liabilities, Capital and Surplus.

2. Accounting Changes and Corrections of Errors

There were no material changes in accounting principles and/or correction of errors.

3. Business Combinations and Goodwill

A. Statutory Purchased Method
NONE

B. Statutory Merger Method
NONE

C. Assumption Reinsurance
NONE

D. Impairment Losses
NONE

4. Discontinued Operations

NONE

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

NONE

B. Debt Restructuring

NONE

C. Reverse Mortgages

NONE

D. Loan-Backed Securities

1. Prepayment assumptions for single class and multi-class mortgage backed/asset backed securities were obtained from industry market sources.
2. The Company had no other-than-temporary impairment ("OTTI") losses during 2013 on loan-backed and structured securities in which the Company had the (1) intent to sell, (2) did not have the intent and ability to retain for a period of time sufficient to recover the amortized cost basis or (3) present value of cash flows expected to be collected is less than the amortized cost basis of the securities in accordance with SSAP No. 43R, *Loan-Backed and Structured Securities* ("SSAP No. 43R").
3. The Company had no recognized OTTI on loan-backed and structured securities currently held, in which the present value of cash flows expected to be collected is less than the amortized cost basis, at December 31, 2013 and 2012.
4. At December 31, 2013, and 2012 there are no structured securities that are in an unrealized loss position. Therefore, the table showing unrealized losses on structured securities that are greater and less than a year has not been provided.

5. The Company has reviewed its loaned-backed and structured securities in accordance with SSAP No. 43R and has concluded that these are performing assets generating investment income to support the needs of the business. Furthermore, the Company has no intention to sell any of the securities at December 31, 2013 and 2012 before their cost can be recovered and does have the intent and ability to retain the securities for the time sufficient to recover the amortized cost basis; therefore, no OTTI write down to fair value was determined to have occurred on these securities.

E. Repurchase Agreements and/or Securities Lending Transactions

NONE

F. Real Estate

NONE

NOTES TO FINANCIAL STATEMENTS

G. Investments in low-income housing credits

NONE

H. Restricted Assets

(1) Restricted Assets (Including Pledged)

	1	2	3	4	5	6
Restricted Asset Category	Total Gross Restricted from Current Year	Total Gross Restricted From Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	%	%
b. Collateral held under security lending agreements						
c. Subject to repurchase agreements						
d. Subject to reverse repurchase agreements						
e. Subject to dollar repurchase agreements						
f. Subject to dollar reverse repurchase agreements						
g. Placed under option contracts						
h. Letter stock or securities restricted as to sale						
i. On deposit with states	1,050,220	1,050,554	(334)	1,050,445	2.5%	2.5%
j. On deposit with other regulatory bodies						
k. Pledged as collateral not captured in other categories						
l. Other restricted assets						
m. Total Restricted Assets	\$ 1,050,220	\$ 1,050,554	\$ (334)	\$ 1,050,445	2.5%	2.5%

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate) NONE

(3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate) NONE

6. Joint Ventures, Partnerships and Limited Liability Companies

NONE

7. Investment Income

A. There was no investment income due and accrued excluded from surplus at December 31, 2013 and 2012 except in bonds where collection of interest was uncertain.

B. NONE

8. Derivative Instruments

NONE

9. Income Taxes

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

1.

- (a)

Gross Deferred Tax Assets
- (b)

Statutory Valuation Allowance Adjustments
- (c)

Adjusted Gross Deferred Tax Assets
(1a - 1b)
- (d)

Deferred Tax Assets Nonadmitted
- (e)

Subtotal Net Admitted Deferred Tax Asset
(1c -1d)
- (f)

Deferred Tax Liabilities
- (g)

Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability)
(1e - 1f)

12/31/2013		
(1)	(2)	(3)
Ordinary	Capital	(Col 1+2) Total
\$.....370,274	\$.....	\$.....370,274
\$.....	\$.....	\$.....
\$.....370,274	\$.....	\$.....370,274
\$.....21,583	\$.....	\$.....21,583
\$.....348,691	\$.....	\$.....348,691
\$.....	\$.....442	\$.....442
\$.....348,691	\$.....(442)	\$.....348,249

12/31/2012		
(4)	(5)	(6)
Ordinary	Capital	(Col 4+5) Total
\$.....364,698	\$.....	\$.....364,698
\$.....	\$.....	\$.....
\$.....364,698	\$.....	\$.....364,698
\$.....	\$.....	\$.....
\$.....364,698	\$.....	\$.....364,698
\$.....40,545	\$.....	\$.....40,545
\$.....324,153	\$.....	\$.....324,153

Change		
(7)	(8)	(9)
(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
\$.....5,576	\$.....	\$.....5,576
\$.....	\$.....	\$.....

NOTES TO FINANCIAL STATEMENTS

(c)	Adjusted Gross Deferred Tax Assets (1a - 1b)	\$.....5,576	\$.....	\$.....5,576
(d)	Deferred Tax Assets Nonadmitted	\$.....21,583	\$.....	\$.....21,583
(e)	Subtotal Net Admitted Deferred Tax Asset (1c -1d)	\$.....(16,007)	\$.....	\$.....(16,007)
(f)	Deferred Tax Liabilities	\$.....(40,545)	\$.....442	\$.....(40,103)
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$.....24,538	\$.....(442)	\$.....24,096

2.

12/31/2013		
(1)	(2)	(3)
Ordinary	Capital	(Col 1+2) Total

Admission Calculation Components SSAP No. 101

(a)	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$.....348,691	\$.....	\$.....348,691
(b)	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	\$.....	\$.....	\$.....
1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$.....	\$.....	\$.....
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	3,213,693
(c)	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$.....	\$.....	\$.....
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$.....348,691	\$.....	\$.....348,691

12/31/2012		
(4)	(5)	(6)
Ordinary	Capital	(Col 4+5) Total

(a)	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$.....	\$.....	\$.....
(b)	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	\$.....324,153	\$.....	\$.....324,153
1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$.....	\$.....	\$.....
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	\$.....
(c)	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$.....40,545	\$.....	\$.....40,545
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$.....364,698	\$.....	\$.....364,698

Change		
(7)	(8)	(9)
(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total

(a)	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$.....348,691	\$.....	\$.....348,691
(b)	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	\$.....(324,153)	\$.....	\$.....(324,153)
1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$.....	\$.....	\$.....
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	3,213,693
(c)	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$.....(40,545)	\$.....	\$.....(40,545)
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$.....(16,007)	\$.....	\$.....(16,007)

3.

2013	2012
------	------

(a)	Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	.....421.000	.....458.000
(b)	Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$.....21,425,952.000	\$.....23,929,292.000

4.

12/31/2013	
(1)	(2)
Ordinary	Capital

Impact of Tax Planning Strategies

(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.	
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	.....370,274
2.	Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	.....0%
3.	Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	.....348,691
4.	Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	.....0%

12/31/2012	
(3)	(4)
Ordinary	Capital

(a)	1. Adjusted Gross DTAs Amount From Note 9A1(c)	.....364,698
	2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	.....
	3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	.....364,698
	4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	.....

Change	
(5)	(6)
(Col 1-3) Ordinary	(Col 2-4) Capital

(a)	1. Adjusted Gross DTAs Amount From Note 9A1(c)	.....5,576
	2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	.....
	3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	.....(16,007)
	4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	.....

(b)	Does the Company's tax-planning strategies include the use of reinsurance?	Yes.....	No.....X.....
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C. Current income taxes incurred consist of the following major components:

(1)	(2)	(3)
12/31/2013	12/31/2012	(Col 1-2) Change

NOTES TO FINANCIAL STATEMENTS

1.	Current Income Tax			
	(a) Federal	\$.....2,248,415	\$.....2,546,067	\$.....(297,652)
	(b) Foreign	\$.....	\$.....	\$.....
	(c) Subtotal	\$.....2,248,415	\$.....2,546,067	\$.....(297,652)
	(d) Federal income tax on net capital gains	\$.....126,761	\$.....196,486	\$.....(69,725)
	(e) Utilization of capital loss carry-forwards	\$.....	\$.....	\$.....
	(f) Other	\$.....	\$.....(13,499)	\$.....13,499
	(g) Federal and foreign income taxes incurred	\$.....2,375,176	\$.....2,729,054	\$.....(353,878)
2.	Deferred Tax Assets:			
	(a) Ordinary			
	(1) Discounting of unpaid losses	\$.....62,427	\$.....119,662	\$.....(57,235)
	(2) Unearned premium reserve	\$.....94,610	\$.....10,506	\$.....84,104
	(3) Policyholder reserves	\$.....	\$.....	\$.....
	(4) Investments	\$.....	\$.....	\$.....
	(5) Deferred acquisition costs	\$.....	\$.....	\$.....
	(6) Policyholder dividends accrual	\$.....	\$.....	\$.....
	(7) Fixed assets	\$.....21,583	\$.....9,413	\$.....12,170
	(8) Compensation and benefits accrual	\$.....	\$.....97,509	\$.....(97,509)
	(9) Pension accrual	\$.....	\$.....	\$.....
	(10) Receivables - nonadmitted	\$.....7,649	\$.....51,227	\$.....(43,578)
	(11) Net operating loss carry-forward	\$.....	\$.....	\$.....
	(12) Tax credit carry-forward	\$.....	\$.....	\$.....
	(13) Other (including items <5% of total ordinary tax assets)	\$.....184,005	\$.....76,381	\$.....107,624
	(99) Subtotal	\$.....370,274	\$.....364,698	\$.....5,576
	(b) Statutory valuation allowance adjustment	\$.....	\$.....	\$.....
	(c) Nonadmitted	\$.....21,583	\$.....	\$.....21,583
	(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$.....348,691	\$.....364,698	\$.....(16,007)
	(e) Capital:			
	(1) Investments	\$.....	\$.....	\$.....
	(2) Net capital loss carry-forward	\$.....	\$.....	\$.....
	(3) Real estate	\$.....	\$.....	\$.....
	(4) Other (including items <5% of total capital tax assets)	\$.....	\$.....	\$.....
	(99) Subtotal	\$.....	\$.....	\$.....
	(f) Statutory valuation allowance adjustment	\$.....	\$.....	\$.....
	(g) Nonadmitted	\$.....	\$.....	\$.....
	(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$.....	\$.....	\$.....
	(i) Admitted deferred tax assets (2d + 2h)	\$.....348,691	\$.....364,698	\$.....(16,007)
3.	Deferred Tax Liabilities:			
	(a) Ordinary			
	(1) Investments	\$.....	\$.....	\$.....
	(2) Fixed assets	\$.....	\$.....	\$.....
	(3) Deferred and uncollected premium	\$.....	\$.....	\$.....
	(4) Policyholder reserves	\$.....	\$.....	\$.....
	(5) Other (including items<5% of total ordinary tax liabilities)	\$.....	\$.....40,545	\$.....(40,545)
	(99) Subtotal	\$.....	\$.....40,545	\$.....(40,545)
	(b) Capital:			
	(1) Investments	\$.....442	\$.....	\$.....442
	(2) Real estate	\$.....	\$.....	\$.....
	(3) Other (including items <5% of total capital tax liabilities)	\$.....	\$.....	\$.....
	(99) Subtotal	\$.....442	\$.....	\$.....442
	(c) Deferred tax liabilities (3a99 + 3b99)	\$.....442	\$.....40,545	\$.....(40,103)
4.	Net deferred tax assets/liabilities (2i - 3c)	\$.....348,249	\$.....324,153	\$.....24,096

The change in net deferred income taxes is comprised of the following:

	12/31/2013	12/31/2012	Change
Total deferred tax assets	\$ 370,274	\$ 364,698	\$ 5,576
Total deferred tax liabilities	(442)	(40,545)	40,103
Net deferred tax asset (liability)	369,832	324,153	45,679
Tax effect of unrealized gains/(losses)			0
Change in net deferred income tax			\$ 45,679

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	12/31/2013	Effective Tax Rate	12/31/2012	Effective Tax Rate
Provision computed at statutory rate	2,368,546	35%	3,448,153	35.0%
Permanent Items	(87,052)	-1.3%	(486,632)	-4.9%
Change in nonadmitted assets	30,513	0.5%	(13,889)	-0.1%
Prior Year Return to Provision Adjustment and others	(5,049)	-0.1%	23,661	0.2%
Stat to GAAP Adjustment	22,539	0.3%	(13,499)	-0.1%
Total	2,329,497	34.4%	2,957,794	30.0%
Federal and foreign income taxes incurred	2,375,176	35.1%	2,729,054	27.7%
Change in net deferred income taxes	(45,679)	-0.7%	228,740	2.3%
Total statutory income taxes	2,329,497	34.4%	2,957,794	30.0%

NOTES TO FINANCIAL STATEMENTS

- E1. As of December 31, 2013, the Company has no net capital loss or net operating loss carry forwards for tax purposes.
- E2. The amount of Federal income taxes incurred that are available for recoupment in the event of future net losses are:

Year	Amount
2013	\$2,377,297
2012	\$2,699,081

- E3. The Company had no deposits under Section 6603 of the Internal Revenue Service Code at December 31, 2013.
- F.1 From January 1, 2013 through May 6, 2013, the Company's Federal Income Tax Return is consolidated with the following entities:

Attius Health Plans, Inc.	Coventry Health Care of Virginia, Inc.	First Health Group Corp	MHNet Life and Health Insurance Company
Coventry Health Care of Florida, Inc.	Coventry Health Care of Iowa, Inc.	First Health Life and Health Insurance Company	MHNet of Florida, Inc.
Coventry Health Care of Georgia, Inc.	Coventry Health Care of Kansas, Inc.	Florida Health Plan Administrators, LLC	Claims Administration Corporation
Coventry Health Care of Louisiana, Inc.	Coventry Health Care of the Carolinas, Inc.	HealthCare USA of Missouri, LLC	Coventry Consumer Advantage, Inc
Coventry Health Care of Nebraska, Inc.	Coventry Health Care of Pennsylvania, Inc.	HealthAmerica Pennsylvania, Inc.	Coventry Financial Management Services, Inc.
CHC Casualty Risk Retention Group, Inc.	Coventry Health Care of Texas, Inc.	WellPath of South Carolina, Inc.	Coventry Health Care National Accounts, Inc.
Coventry Health Plan of Florida, Inc.	Coventry Summit Health Plan, Inc.	HealthAssurance Pennsylvania, Inc.	Coventry Health Care Workers' Compensation, Inc.
Coventry Health Care of Illinois, Inc.	Coventry Health and Life Insurance Company	Coventry HealthCare Management Corporation	Coventry Transplant Network, Inc.
Coventry Health Care of Missouri, Inc.	Coventry Health Care, Inc	Mental health Associates, Inc.	First Script Network
CoventryCares of Michigan, Inc.	Cambridge Life Insurance Company	Mental Health Network of New York IPA, Inc.	Health Assurance Financial Services, Inc.
FOCUS Healthcare Management, Inc.	MetraComp, Inc.	Coventry Health Care National Network, Inc.	Aetna Better Health Inc., (Tennessee) (f/k/a HealthCare USA of Tennessee, Inc.)
Coventry Health Care of West Virginia, Inc.	Coventry Rehabilitation Services, Inc. (f/k/a First Health Strategies, Inc.)	Carefree Insurance Services, Inc.	Coventry Health of Delaware, Inc.
Coventry Management Services, Inc.			

From May 7, 2013 through December 31, 2013, the Company's Federal Income Tax Return is consolidated with the entities above as well as the following entities.

Aetna Inc. - Parent Company	Aetna Health and Life Insurance Company	Aetna Life Insurance Company	Niagara Re, Inc.
@ Credentials Inc.	Aetna Health Finance, Inc.	Aetna Risk Indemnity Company Limited	PayFlex Holdings, Inc.
Active Health Management Inc.	Aetna Health Inc. (Connecticut)	Aetna Student Health Agency Inc.	PayFlex Systems USA, Inc.
Adminco, Inc.	Aetna Health Inc. (Florida)	AHP Holdings, Inc.	Performax, Inc.
Administrative Enterprise, Inc.	Aetna Health Inc. (Georgia)	Allviant Corporation	Precision Benefit Services, Inc.
AE Fourteen, Incorporated	Aetna Health Inc. (Maine)	American Health Holding, Inc.	Prime Net, Inc.
AET Health Care Plan, Inc.	Aetna Health Inc. (Michigan)	AUSHC Holdings, Inc.	Prodigy Health Group, Inc.
Aetna ACO Holdings, Inc.	Aetna Health Inc. (New Jersey)	Broadspire National Services, Inc.	Professional Risk Management Inc.
Aetna Better Health Inc. (Connecticut)	Aetna Health Inc. (New York)	Chickering Claims Administrators, Inc.	Resources for Living, LLC
Aetna Better Health Inc. (Florida)	Aetna Health Inc. (Pennsylvania)	Cofinity, Inc.	Schaller Anderson Medical Administrators, Inc.
Aetna Better Health Inc. (Georgia)	Aetna Health Inc. (Texas)	Delaware Physicians Care, Incorporated	Strategic Resource Company
Aetna Better Health Inc. (Illinois)	Aetna Health Insurance Company	Health and Human Resource Center, Inc.	The Vasquez Group, Inc.
Aetna Better Health Inc. (Louisiana)	Aetna Health Insurance Company of New York	Health Data & Management Solutions, Inc.	U.S. Healthcare Properties, Inc.
Aetna Better Health Inc. (New Jersey)	Aetna Health of California Inc.	Health Re, Incorporated	Work and Family Benefits, Inc.
Aetna Better Health Inc. (New York)	Aetna Insurance Company of Connecticut	Jaguar Merger Subsidiary, Inc.	Group Dental Service, Inc.
Aetna Better Health Inc. (Ohio)	Aetna Integrated Informatics,	Luettgens Limited	Group Dental Service of

NOTES TO FINANCIAL STATEMENTS

	Inc.		Maryland, Inc.
Aetna Better Health Inc. (Pennsylvania)	Aetna International Inc.	Managed Care Coordinators, Inc.	
Aetna Dental Inc. (New Jersey)	Aetna Ireland Inc.	Medicity Inc.	
Aetna Dental Inc. (Texas)	Aetna Life and Casualty (Bermuda) Ltd	Meritain Health, Inc.	
Aetna Dental of California, Inc.	Aetna Life Assignment Company	Missouri Care, Incorporated	

F.2 As explained in Note 1, the Company participates in a tax sharing agreement. The Company was part of a tax sharing agreement with its parent, Coventry Health Care, Inc, for the period January 1, 2013 through May 6, 2013. Upon acquisition date of May 7, 2013, the Company participates in a tax sharing agreement with Aetna, Inc. (Aetna) and Aetna’s other subsidiaries.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties:

A-C. The Company has management service agreements with its Parent company and certain affiliates, in which the Parent and affiliates provide information technology, service center and general administrative support services.

The Company paid a cash dividend to the parent company, Coventry Health Care, Inc. on 6/24/2013, totaling \$7,000,000. A \$8,500,000 dividend was paid on June 8, 2012.

D. The amount due to related parties as of December 31, 2013 and 2012 are as follows:

	<u>2013</u>	<u>2012</u>
Coventry Healthcare, Inc.	\$193,559	\$174,748

The terms of settlement require that these amounts are settled within 30 days.

E. NONE

F. The Company receives certain management services from various affiliated companies. These management fees are reflected as general and administrative expenses.

The Parent Company provides certain management, consulting, computer and administrative services to the Company. The Company also reimburses the Parent for certain expenses paid by the Parent on behalf of the Company. The management fee is based on a monthly membership. During 2013, and 2012 the Company incurred management fees of \$2,703,415 and \$2,764,946, respectively, with the Parent.

Coventry Management Services (CMS), wholly owned by the Parent, provides certain management services, including but not limited to, information system services and consulting and service center services. During 2013 and 2012, the Company incurred \$2,819,691 and \$3,286,722, respectively, with CMS.

Coventry Prescription Management Services, Inc. ("CPMS") administers outpatient pharmacy benefits for the Company. During 2013, and 2012 the Company incurred \$703,685, and \$847,166, respectively, for services provided.

The Company carries reinsurance coverage for instances in which medical costs for an individual member exceed certain limitations. This coverage is currently through Coventry Health and Life Insurance Company (CH&L), an affiliate of Coventry. The Company is contingently liable for its reinsured losses to the extent that the reinsurance company cannot meet its obligations under the reinsurance contracts. The Plan incurred reinsurance premiums of \$513,436, and \$572,587 for the year ended December 31, 2013 and 2012, respectively. \$227,369 and \$252,655 is due from CH&L for reinsurance recoverable, at December 31, 2013 and 2012, respectively.

The Company has an agreement with CH&L whereby CH&L agrees to provide the Company insolvency continuation services. During 2013 and 2012, the Company incurred insurance expense of \$24,224 and \$26,785, respectively.

G. On August 19, 2012, the Company’s parent, Coventry Health Care, Inc. (“Coventry”), Aetna Inc. (“Aetna”) and Jaguar Merger Subsidiary, Inc. (“Merger Sub”) entered into an Agreement and Plan of Merger (as amended, and as may be further amended), pursuant to which, subject to the satisfaction or waiver of certain conditions, Merger Sub will be merged with and into Coventry, with Coventry surviving the merger as a wholly-owned subsidiary of Aetna (the “Merger”).

The consummation of the Merger is subject to customary closing conditions, including, among others, the adoption of the Merger Agreement by Coventry’s stockholders, the absence of certain legal impediments to the consummation of the Merger, the receipt of specified governmental consents and approvals, the early termination or expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, and, subject to certain exceptions, the accuracy of representations and warranties made by the Coventry and Aetna, respectively, and compliance by

NOTES TO FINANCIAL STATEMENTS

the Coventry and Aetna with their respective obligations under the Merger Agreement. The Merger closed on May 7, 2013.

H. – L. NONE

11. Debt

NONE

12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Post-retirement Benefit Plans

- A. The Company does not sponsor a Defined Benefit Plan.
- B. The Company does not sponsor a Defined Benefit Plan
- C. The Company does not sponsor a Defined Benefit Plan.
- D. The Company does not sponsor a Defined Benefit Plan
- E. The Company's employees are eligible to participate in a 401(k) defined contribution plan sponsored by the Parent. Employees become eligible to participate in the plan upon their first day of employment. Subject to certain limitations, employees may contribute 75% of their salary to the plan which the Company matches at a rate of 100% up to the first 3% and 50% of the next 3% of each employee's contributions to a maximum of 4.5% of their total salary. The Company contributed \$168,179 to the 401(k) plan in 2013 and \$160,312 in 2012.
- F. The Company does not offer multiple-employer plans.
- G. The Company does not offer consolidated / holding company plans.
- H. The Company does not have an obligation for any post-employment benefits or compensated absences
- I. The Company does not have any impact on any postretirement benefits related to the Medicare Moderation Act.

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

- 1) The Company has 1,000 shares of common capital stock authorized, issued and outstanding by the Company with a par value of \$.01 per share.
- 2) The Company has no preferred stock authorized or outstanding
- 3) Dividends on the Company's common capital stock are paid as declared by its Board of Directors, from earned surplus of the Company, not including surplus arising from the sale of stock. The commissioner of the State of Michigan Department of Insurance and Financial Services may limit or disallow the payment of ordinary or extraordinary dividends. Dividends shall be declared or paid only from earned surplus, unless the commissioner approves the dividend prior to payment. Additionally, extraordinary dividends, or any other extraordinary distribution, shall not be paid until 30 days after the commissioner has received notice of the declaration and has not disapproved or has approved the payment. An extraordinary dividend or distribution is defined as any dividend or distribution of cash or other property whose fair market value together with that of other dividends or distributions made within the preceding 12 months exceeds the greater of 10% of the insurer's surplus as of December 31 of the immediately preceding year, or net income, not including realized capital gains, for the 12-month period ending December 31 of the immediately preceding year.
- 4) An ordinary dividend in the amount of \$7,000,000 was paid on June 24, 2013 by the Company to its Parent. On June 8, 2012, an ordinary dividend of \$4.5 million and an extraordinary dividend of \$4.0 million was paid to the Parent.
- 5) Within the limitations of 3) above, there are no other restrictions placed on the portion of Company profits that may be paid as ordinary dividends to the stockholder.
- 6) There are no other restrictions on the Company's surplus.
- 7) The Company does not have any advances to surplus not repaid.
- 8) There are no amounts of the Company's common capital stock being held for special purposes.
- 9) The Company has no special surplus funds.
- 10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gain and losses at December 31, 2013 and 2012 is \$399,829, and \$386,778, respectively..
- 11) The Company has no surplus debentures or similar obligations outstanding.
- 12) The Company has no prior quasi-reorganizations.
- 13) The Company has no quasi-reorganizations.

NOTES TO FINANCIAL STATEMENTS

14. Contingencies

A. Contingent Commitments

NONE

B. Assessments

- 1. The Company has not received notification regarding any Michigan Health Insurance Pool for the insolvency of an insurance company.
- 2. NONE

C. Gain Contingencies

NONE

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

NONE

E. All Other Contingencies

The Company is involved in various legal actions arising in the normal course of business. After review, including consultation with legal counsel, management believes any ultimate liability that could arise from these actions would not materially affect the Company's financial position. The Company has no assets that it considers to be impaired.

The Company is contingently liable for certain costs in the event that a capitated provider is unable to meet its contractual obligations. The Company has committed no additional reserves to cover any material contingent liabilities.

The Company establishes and routinely monitors the allowance for uncollectible accounts. Management considers the allowance to be adequate.

15. Leases

A. Lessee Operating Lease

The Company leases its office facilities and certain office equipment under non-cancelable operating leases expiring in various years through 2015. Rent expense for the years ended December 31, 2013 and 2012 was \$299,102 and \$257,198, respectively.

There are no rental commitments that have renewable options.

- 2)
 - a. At January 1, 2014, the minimum aggregate rental commitments are as follows:

	Year Ending December 31	Operating Leases
1.	2014	\$274,124
2.	2015	\$201,192
3.	2016	\$
4.	2017	\$
5.	2018	\$
6.	Total	\$

- 3) The Company is not involved in any sales leaseback transactions.

B. Lessor Leases

NONE

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

NONE

17. Sale, Transfers and Servicing of Financial Assets and Extinguishment of Liabilities

NONE

NOTES TO FINANCIAL STATEMENTS

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

A. Administrative Service Only (ASO) Plans

NONE

B. Administrative Service Contract (ASC) Plans

NONE

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

NONE

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

NONE

20. Fair Value Measurements

A. 1- 3.. The Company had no material assets or liabilities measured and reported at fair value at 12/31/2013 and 12/31/2012.

4. The following are the levels of the hierarchy and a brief description of the type of valuation inputs that are used to establish each level.

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Inputs other than Level 1 that are based on observable market data. These include: quoted prices for similar assets in active markets, quoted prices for identical assets in inactive markets, inputs that are observable that are not prices (such as interest rates, credit risks, etc.) and inputs that are derived from or corroborated by observable markets.

Level 3 – Developed from unobservable data, reflecting our own assumptions. When quoted prices in active markets for identical assets and liabilities are available, the Company uses these quoted market prices to determine the fair value of financial assets and liabilities and classify these assets and liabilities as Level 1. In other cases where a quoted market price for identical assets and liabilities in an active market is either not available or not observable, we estimate fair values using valuation methodologies based on available and observable market information or by using a matrix pricing model. These financial assets and liabilities would then be classified as Level 2. If quoted market prices are not available, the Company determines fair value using broker quotes or an internal analysis of each investment’s financial performance and cash flow projections. In these instances, financial assets and liabilities will be classified based upon the lowest level of input that is significant to the valuation. Thus, financial assets and liabilities may be classified in Level 3 even though there may be some significant inputs that may be readily available

B. The Company had no material assets or liabilities measured and reported at fair value at 12/31/2013 and 12/31/2012.

C. Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
Bonds, Short Term, and Cash Equivalent	\$ 1,050,902	\$ 23,687,110	\$ 0	\$ 24,738,012
	\$ 1,050,902	\$ 23,687,110	\$ 0	\$ 24,738,012

21. Other Items

A. Extraordinary Items

NONE

B. Troubled Debt Restructuring: Debtors

NONE

C. Other Disclosures and Unusual Items

NONE

D. Business Interruption Insurance Recoveries

NONE

E. State Transferable and Non-Transferable Tax Credits

NOTES TO FINANCIAL STATEMENTS

NONE

F. Subprime-Mortgage-Related Risk Exposure

- 1. NONE
- 2. NONE
- 3. NONE
- 4. NONE

G. Retained Assets

NONE

22. Events Subsequent

Subsequent events have been considered through 02/27/2014 for the statutory annual statement filed on 03/01/2014.

On January 1, 2014, the Company will be subject to an annual fee under section 9010 of the Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for an U.S. health risk for each calendar year beginning on or after January 1, 2014. As of December 31, 2013, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2014, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2014 to be \$2,300,000. The assessment is expected to impact risk based capital by 11%.

A.	ACA fee assessment payable	\$	
			2,300,000.....
B.	Assessment expected to impact RBC		11%

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- 1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?
Yes () No (X)
If yes, give full details.
- 2. Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?
Yes () No(X)
If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

- 1. Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?
Yes () No(X)
 - a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate.
 - b. What is the total amount of reinsurance credit taken, whether as an asset or as a reduction of liability for this agreement in this statement?

NOTES TO FINANCIAL STATEMENTS

2. Does the reporting entity have any reinsurance agreement in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collect under the reinsured policies?

Yes () No(X)

If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

1. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making these estimates. None

2. Have any new agreement been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes () No(X)

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability taken for such new agreement or amendments?

B. Uncollectible Reinsurance

NONE

C. Commutation of Ceded Reinsurance

NONE

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

NONE

24. Respectively Rated Contracts and Contracts Subject to Redetermination

- A. The Company estimates retrospective premium adjustments based on actual claims experience adjusted for estimates of claims unpaid.

- B. The Company records accrued retrospective premium as an adjustment to earned premiums.

- C. The amount of net premiums written by the Company at December 31, 2013 that were subject to retrospective rating features was \$0, thus, representing 0% of total net premiums written. No other net premiums written by the Company are subjected to retrospective rating features.

- D. NONE

25. Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2012 were \$20,273,466. As of December 31, 2013, \$15,988,262 has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior year are now \$439,591 as a result of re-estimation of unpaid losses and loss adjustment expenses principally on the Medicaid and Schip lines of business. Therefore, there has been \$3,845,613 favorable prior year development since December 31, 2012. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. There are no retrospectively rated contracts subject to redetermination. However, the business to which it relates is subject to premium adjustments.

26. Intercompany Pooling Arrangements

NONE

27. Structured Settlements

NONE

28. Health Care Receivables

- A. Pharmaceutical Rebates Receivables
None

- B. Risk Sharing Receivables
None

NOTES TO FINANCIAL STATEMENTS

29. Participating Policies

NONE

30. Premium Deficiency Reserves

NONE

31. Anticipated Salvage and Subrogation

NONE

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes ☒ No ☐
- If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒ No ☐ N/A ☐
- 1.3

State Regulating?

Michigan.....
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:

.....
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

.....12/31/2013
- 3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

.....12/31/2009
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

.....09/30/2010
- 3.4

By what department or departments? Department of Insurance and Financial Services.....
- 3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ N/A ☒
- 3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ No ☐ N/A ☐
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes ☐ No ☒
- 4.12 renewals?

Yes ☐ No ☒
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes ☐ No ☒
- 4.22 renewals?

Yes ☐ No ☒
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 5.2

If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....
.....
.....

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒
- 6.2

If yes, give full information
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐ No ☒
- 7.2

If yes,
- 7.21

State the percentage of foreign control
- 7.22

State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....
.....
.....
.....
.....

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG LLP, ONE FINANCIAL PLAZA, HARTFORD, CT 06103-4103.....

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []

10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Christian Bi, 6310 Hillside Court, Suite 100, Columbia, MD 21046.....

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value \$.....

12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
Yes [X] No []

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

14.21 If the response to 14.2 is yes, provide information related to amendment(s)

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?
- Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount
.....
.....
.....

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?
- Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?
- Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?
- Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?
- Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$.....0
- 20.12 To stockholders not officers \$.....0
- 20.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$.....0
- 20.22 To stockholders not officers \$.....0
- 20.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?
- Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$.....
- 21.22 Borrowed from others \$.....
- 21.23 Leased from others \$.....
- 21.24 Other \$.....
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?
- Yes [] No [X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$.....
- 22.22 Amount paid as expenses \$.....
- 22.23 Other amounts paid \$.....
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?
- Yes [] No [X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- \$.....

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)
- Yes [X] No []
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- The Company has no securities lending program as of December 31, 2013.....
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?
- Yes [] No [] NA [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.
- \$.....
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.
- \$.....
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?
- Yes [] No [] NA [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
- Yes [] No [] NA [X]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?
- Yes [] No [] NA [X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....
- 24.103 Total payable for securities lending reported on the liability page \$.....

GENERAL INTERROGATORIES

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [X] No []

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21	Subject to repurchase agreements	\$.....
25.22	Subject to reverse repurchase agreements	\$.....
25.23	Subject to dollar repurchase agreements	\$.....
25.24	Subject to reverse dollar repurchase agreements	\$.....
25.25	Pledged as collateral	\$.....
25.26	Placed under option agreements	\$.....
25.27	Letter stock or securities restricted as to sale	\$.....
25.28	On deposit with state or other regulatory body	\$.....1,050,220
25.29	Other	\$.....

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....
.....
.....
.....

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year. \$.....

28. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No []

28.01 For agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
State Street Bank and Trust Company.....	225 Franklin St., Boston, MA 02110.....

28.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [X] No []

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
Citibank, N.A.....	State Street Bank and Trust Company.....	05/07/2013..	Purchase of parent company by AETNA.....
.....
.....

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
.....

GENERAL INTERROGATORIES

- 29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?
- 29.2 If yes, complete the following schedule:
- Yes [] No [X]

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2001. 000000-00-0.....		
29.2999 TOTAL		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	24,827,119	24,738,012	(89,107)
30.2 Preferred Stocks.....	0		0
30.3 Totals	24,827,119	24,738,012	(89,107)

30.4 Describe the sources or methods utilized in determining the fair values:

Fair values of long term bonds are determined based on quoted market prices when available, fair values using valuation methodologies based on available and observable market informaiton or by using matrix pricing.....

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 32.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed?
- 32.2 If no, list exceptions:
- Yes [X] No []
- Yes [X] No []
- Yes [X] No []

GENERAL INTERROGATORIES

OTHER

- 33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$0
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....

- 34.1 Amount of payments for legal expenses, if any? \$69,895
- 34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Miller, Canfield, Paddock & Stone PLC.....	\$.....55,813

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$0
- 35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [] No [X]

1.2 If yes, indicate premium earned on U. S. business only.

\$0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$

1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned

\$0

1.62 Total incurred claims

\$0

1.63 Number of covered lives

.....0

All years prior to most current three years:

1.64 Total premium earned

\$0

1.65 Total incurred claims

\$0

1.66 Number of covered lives

.....0

1.7 Group policies:

Most current three years:

1.71 Total premium earned

\$0

1.72 Total incurred claims

\$0

1.73 Number of covered lives

.....0

All years prior to most current three years:

1.74 Total premium earned

\$0

1.75 Total incurred claims

\$0

1.76 Number of covered lives

.....0

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$163,629,952	\$	.....173,059,035
2.2	Premium Denominator	\$163,629,952	\$	.....173,059,035
2.3	Premium Ratio (2.1/2.2)	.....1.000		.....1.000
2.4	Reserve Numerator	\$16,646,514	\$	.....20,125,384
2.5	Reserve Denominator	\$16,646,514	\$	.....20,125,384
2.6	Reserve Ratio (2.4/2.5)	.....1.000		.....1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [] No [X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [X] No []

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [X] No []

5.1 Does the reporting entity have stop-loss reinsurance?

Yes [X] No []

5.2 If no, explain:

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical

\$350,000

5.32 Medical Only

\$

5.33 Medicare Supplement

\$

5.34 Dental and Vision

\$

5.35 Other Limited Benefit Plan

\$

5.36 Other

\$

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

Contracts contain hold harmless agreements and through 12/31/13 the Plan had insolvency coverage.

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes [X] No []

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

.....4,718

8.2 Number of providers at end of reporting year

.....5,408

9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes [] No [X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

.....

9.22 Business with rate guarantees over 36 months

.....

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes ☒ No ☐

10.2 If yes:

10.21 Maximum amount payable bonuses

\$.....1,610,806

10.22 Amount actually paid for year bonuses

\$.....1,610,806

10.23 Maximum amount payable withholds

\$.....

10.24 Amount actually paid for year withholds

\$.....

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes ☐ No ☒

11.13 An Individual Practice Association (IPA), or,

Yes ☒ No ☐

11.14 A Mixed Model (combination of above) ?

Yes ☐ No ☒

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes ☒ No ☐

11.3 If yes, show the name of the state requiring such net worth.

Michigan.....

11.4 If yes, show the amount required.

\$.....10,175,564

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes ☐ No ☒

11.6 If the amount is calculated, show the calculation.

Risk Based Capital CAL

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
Wayne County, Michigan.....
Oakland County, Michigan.....
Kalamazoo County, Michigan.....
St. Joseph County, Michigan.....
Cass County, Michigan.....
Hillsdale, Michigan.....
Genesee County, Michigan.....
Lenawee County, Michigan.....
Monroe County, Michigan.....
Macomb County, Michigan.....
St. Clair County, Michigan.....
Barry County, Michigan.....
Berrien County, Michigan.....
Branch County, Michigan.....
Cass County, Michigan.....
Van Buren County, Michigan.....

13.1 Do you act as a custodian for health savings accounts?

Yes ☐ No ☒

13.2 If yes, please provide the amount of custodial funds held as of the reporting date.

\$.....

13.3 Do you act as an administrator for health savings accounts?

Yes ☐ No ☒

13.4 If yes, please provide the balance of the funds administered as of the reporting date.

\$.....

FIVE - YEAR HISTORICAL DATA

	1 2013	2 2012	3 2011	4 2010	5 2009
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	41,939,844	46,712,097	48,986,862	45,377,735	43,898,690
2. Total liabilities (Page 3, Line 24)	20,165,643	22,458,652	23,101,612	20,788,856	20,907,630
3. Statutory surplus	10,175,564	10,440,361	10,708,884	11,192,506	11,656,808
4. Total capital and surplus (Page 3, Line 33)	21,774,201	24,253,445	25,885,250	24,588,879	22,991,060
Income Statement (Page 4)					
5. Total revenues (Line 8)	163,732,514	173,169,465	185,245,947	187,760,600	186,362,532
6. Total medical and hospital expenses (Line 18)	142,843,407	148,357,537	152,264,633	158,033,174	161,454,678
7. Claims adjustment expenses (Line 20)	1,740,102	1,555,822	2,152,357	2,252,284	2,356,701
8. Total administrative expenses (Line 21)	13,205,599	14,682,410	24,748,902	23,436,650	19,747,591
9. Net underwriting gain (loss) (Line 24)	5,943,406	8,573,696	6,080,055	4,038,492	2,803,562
10. Net investment gain (loss) (Line 27)	697,104	1,081,684	826,842	820,704	880,528
11. Total other income (Lines 28 plus 29)	0	0	0	0	0
12. Net income or (loss) (Line 32)	4,392,095	7,122,812	4,550,002	3,568,461	1,616,207
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	2,365,427	4,847,275	9,364,725	4,442,726	3,654,685
Risk-Based Capital Analysis					
14. Total adjusted capital.....	21,774,201	24,253,445	25,885,250	24,588,879	22,991,060
15. Authorized control level risk-based capital.....	5,087,782	5,220,181	5,354,442	5,596,253	5,828,377
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	39,599	42,831	46,350	50,923	53,912
17. Total members months (Column 6, Line 7)	484,486	535,706	581,933	629,212	648,845
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	87.3	85.7	82.3	84.2	85.5
20. Cost containment expenses	0.0	0.0	0.0	0.0	0.0
21. Other claims adjustment expenses	1.1	0.9	1.2	1.2	1.2
22. Total underwriting deductions (Line 23)	96.4	95.1	96.8	97.9	97.2
23. Total underwriting gain (loss) (Line 24)	3.6	5.0	3.3	2.2	1.5
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	16,286,058	15,427,908	15,356,007	16,127,618	13,931,416
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	20,125,384	20,576,201	19,158,925	17,651,961	17,054,590
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate		0	0	0	0
31. All other affiliated		0	0	0	0
32. Total of above Lines 26 to 31.....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above		0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?.....Yes [] No []

If no, please explain

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

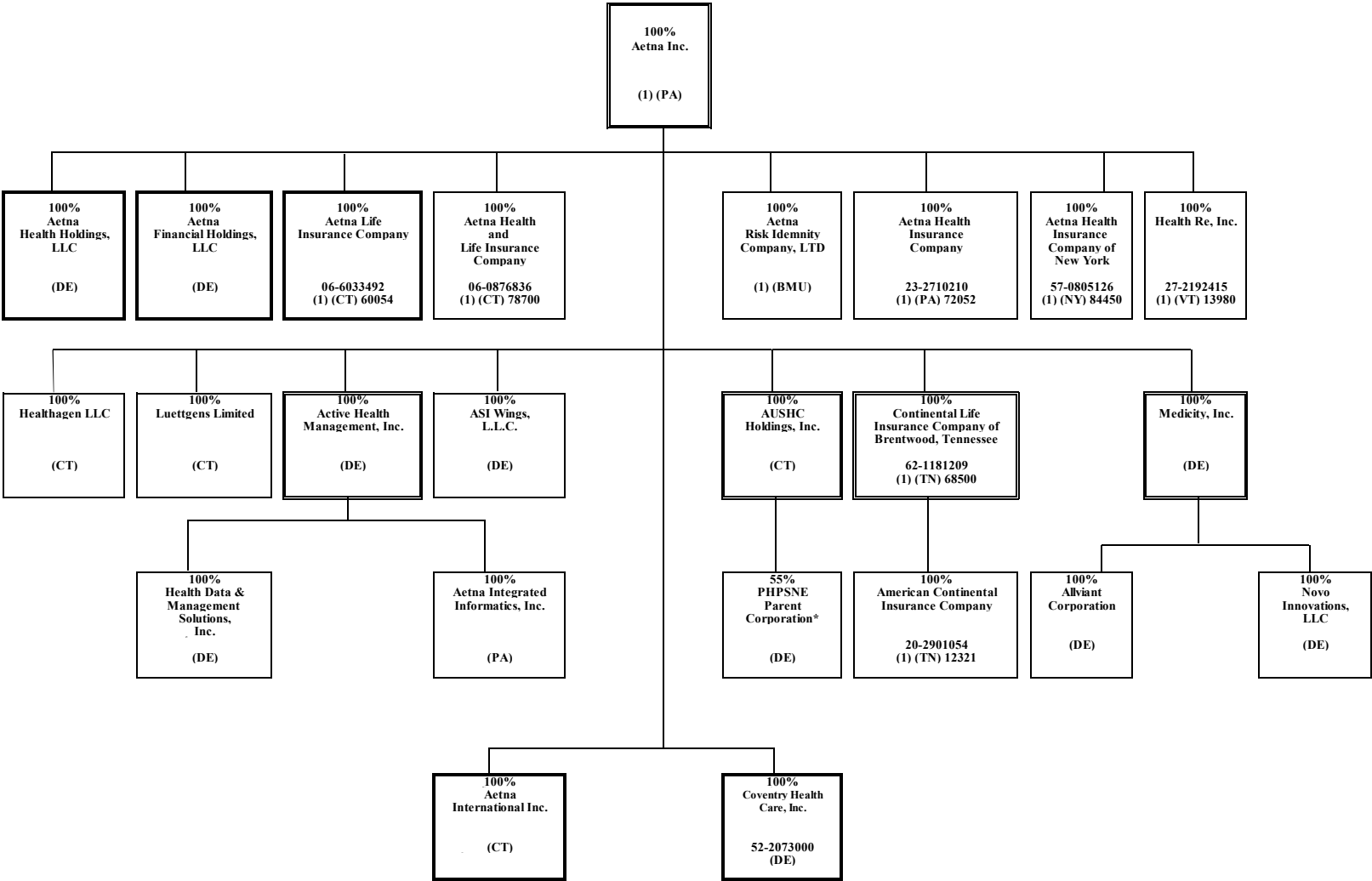
Allocated by States and Territories

			1	Direct Business Only							
			2	3	4	5	6	7	8	9	
State, Etc.			Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Consideration s	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama	AL	N							0	0
2.	Alaska	AK	N							0	0
3.	Arizona	AZ	N							0	0
4.	Arkansas	AR	N							0	0
5.	California	CA	N							0	0
6.	Colorado	CO	N							0	0
7.	Connecticut	CT	N							0	0
8.	Delaware	DE	N							0	0
9.	District of Columbia	DC	N							0	0
10.	Florida	FL	N							0	0
11.	Georgia	GA	N							0	0
12.	Hawaii	HI	N							0	0
13.	Idaho	ID	N							0	0
14.	Illinois	IL	N							0	0
15.	Indiana	IN	N							0	0
16.	Iowa	IA	N							0	0
17.	Kansas	KS	N							0	0
18.	Kentucky	KY	N							0	0
19.	Louisiana	LA	N							0	0
20.	Maine	ME	N							0	0
21.	Maryland	MD	N							0	0
22.	Massachusetts	MA	N							0	0
23.	Michigan	MI	L	847,076		163,296,311				164,143,387	0
24.	Minnesota	MN	N							0	0
25.	Mississippi	MS	N							0	0
26.	Missouri	MO	N							0	0
27.	Montana	MT	N							0	0
28.	Nebraska	NE	N							0	0
29.	Nevada	NV	N							0	0
30.	New Hampshire	NH	N							0	0
31.	New Jersey	NJ	N							0	0
32.	New Mexico	NM	N							0	0
33.	New York	NY	N							0	0
34.	North Carolina	NC	N							0	0
35.	North Dakota	ND	N							0	0
36.	Ohio	OH	N							0	0
37.	Oklahoma	OK	N							0	0
38.	Oregon	OR	N							0	0
39.	Pennsylvania	PA	N							0	0
40.	Rhode Island	RI	N							0	0
41.	South Carolina	SC	N							0	0
42.	South Dakota	SD	N							0	0
43.	Tennessee	TN	N							0	0
44.	Texas	TX	N							0	0
45.	Utah	UT	N							0	0
46.	Vermont	VT	N							0	0
47.	Virginia	VA	N							0	0
48.	Washington	WA	N							0	0
49.	West Virginia	WV	N							0	0
50.	Wisconsin	WI	N							0	0
51.	Wyoming	WY	N							0	0
52.	American Samoa	AS	N							0	0
53.	Guam	GU	N							0	0
54.	Puerto Rico	PR	N							0	0
55.	U.S. Virgin Islands	VI	N							0	0
56.	Northern Mariana Islands	MP	N							0	0
57.	Canada	CAN	N							0	0
58.	Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59.	Subtotal.....		XXX	847,076	0	163,296,311	0	0	0	164,143,387	0
60.	Reporting entity contributions for Employee Benefit Plans.....		XXX							0	
61.	Total (Direct Business)	(a)	1	847,076	0	163,296,311	0	0	0	164,143,387	0
DETAILS OF WRITE-INS											
58001.			XXX								
58002.			XXX								
58003.			XXX								
58998.	Summary of remaining write-ins for Line 58 from overflow page.....		XXX	0	0	0	0	0	0	0	0
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)		XXX	0	0	0	0	0	0	0	

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.
Explanation of basis of allocation by states, premiums by state, etc. CoventryCares of Michigan is only liscensed as a Medicaid HMO in the State of Michigan.
(a) Insert the number of L responses except for Canada and other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1- ORGANIZATIONAL CHART

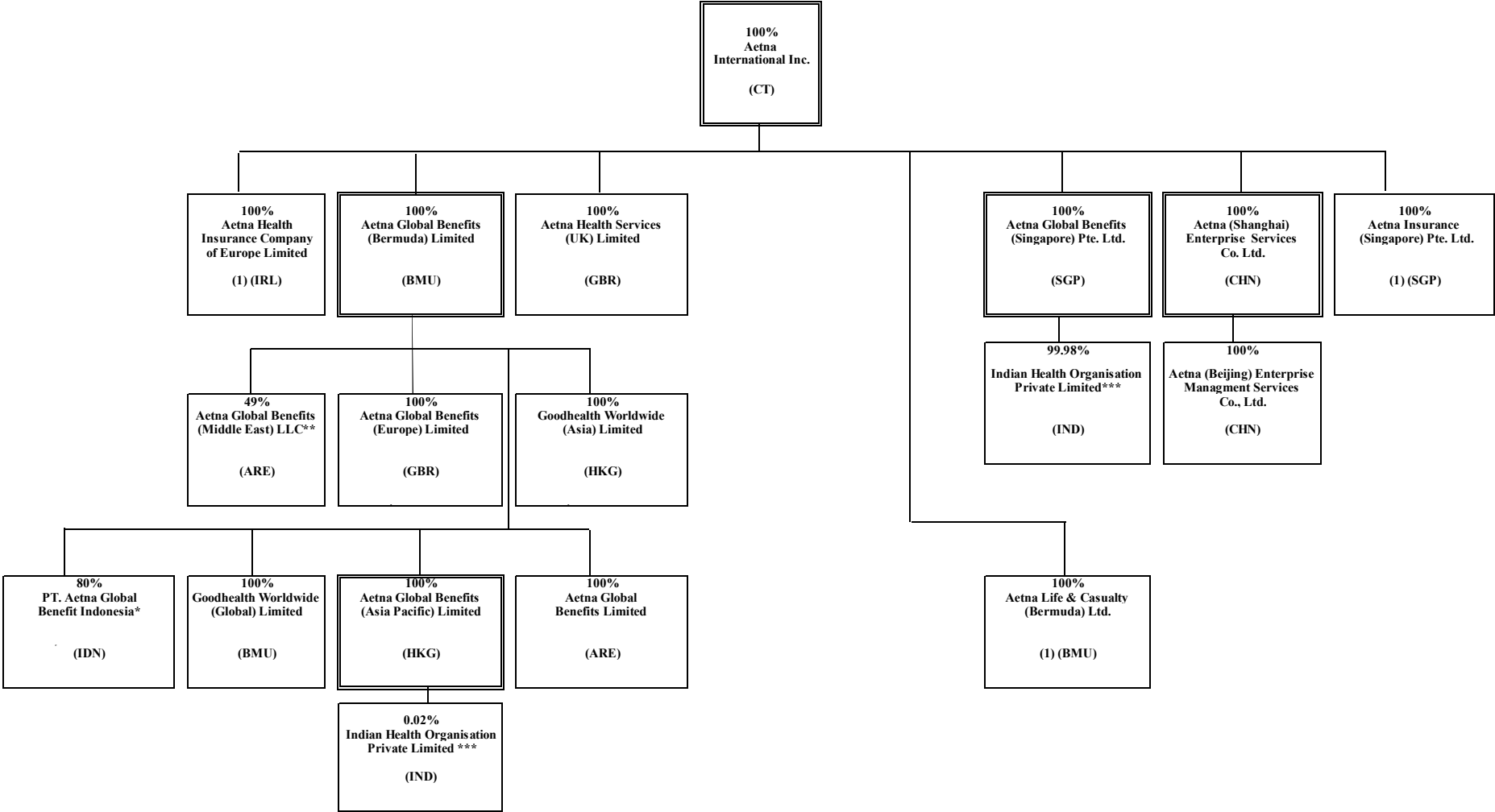


(1) Insurers/HMO's
Percentages are rounded to the nearest whole percent and based on ownership of voting rights.
Double borders indicate entity has subsidiaries shown on the same page.
Bold borders indicate entity has subsidiaries shown on a separate page.

*55% is owned by AUSHC Holdings, Inc. and 45% is owned by third parties.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

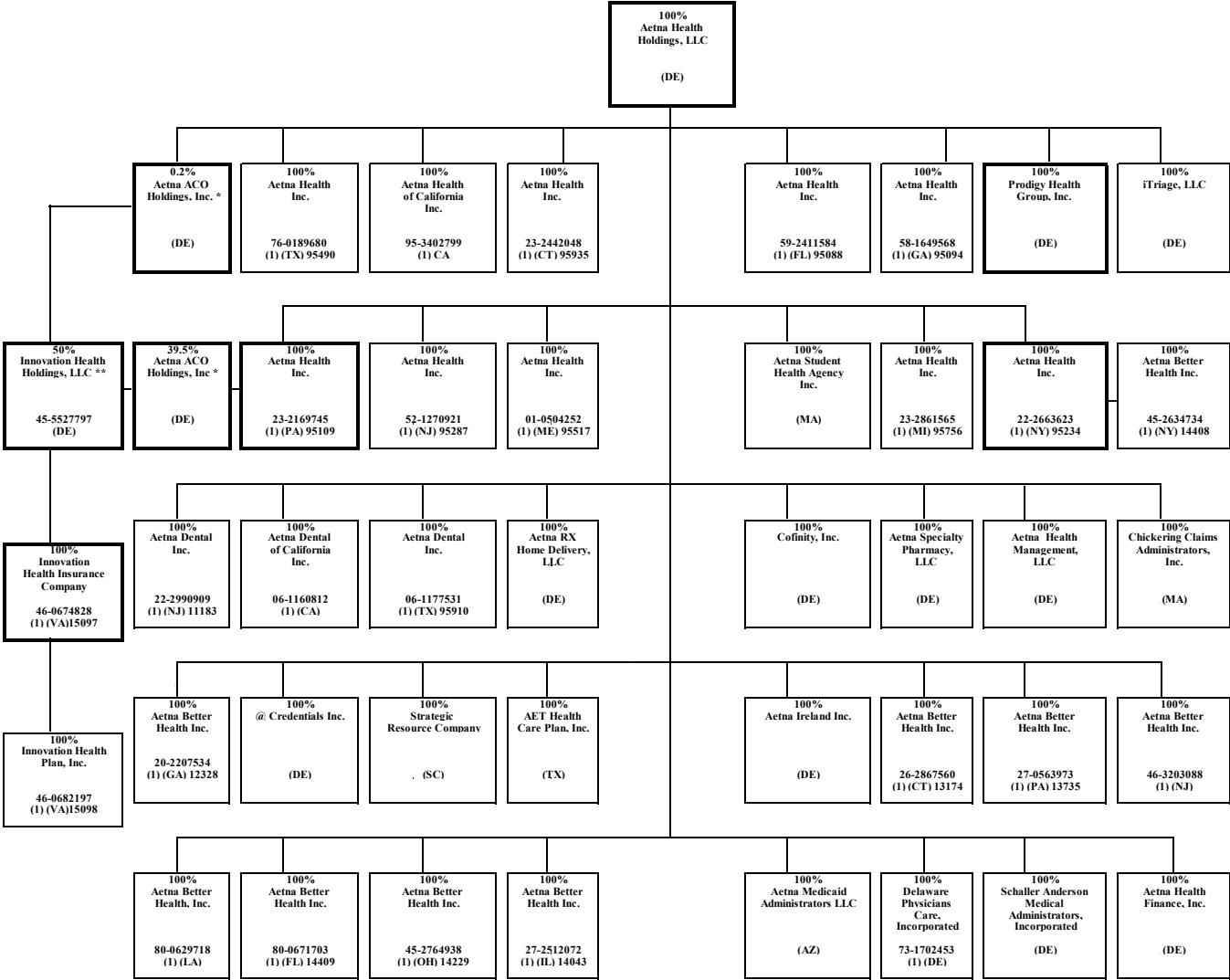
PART 1- ORGANIZATIONAL CHART



*Aetna Global Benefits (Bermuda) Limited owns 80% and 20% is owned by Suhatsyah Rivai, Aetna's Nominee.
** Aetna Global Benefits (Bermuda) Limited owns 49% and 51% is owned by Euro Gulf LLC, Aetna's Nominee.
*** Aetna Global Benefits (Asia Pacific) Limited owns 0.019857% of Indian Health Organization Private Limited and Aetna Global Benefits (Singapore) Pte. Ltd. owns 99.980143%.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

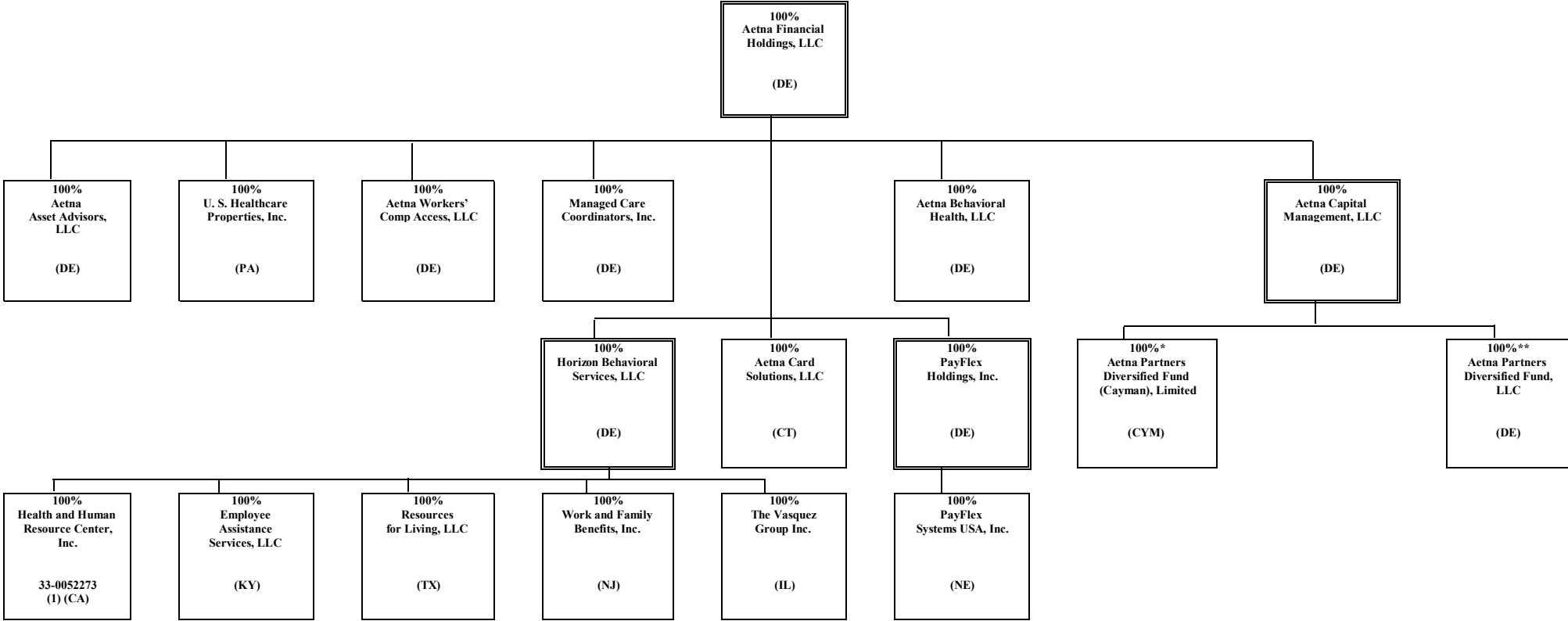
PART 1- ORGANIZATIONAL CHART



* Actina Life Insurance Company owns 302 shares, Actina Health Inc. (PA) owns 198 shares and Actina Health Holdings, LLC owns 1 share.
** Innovation Health Holdings, LLC is 50% owned by Actina ACO Holdings, Inc. and 50% owned by Inova Health System Foundation, an unaffiliated company.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

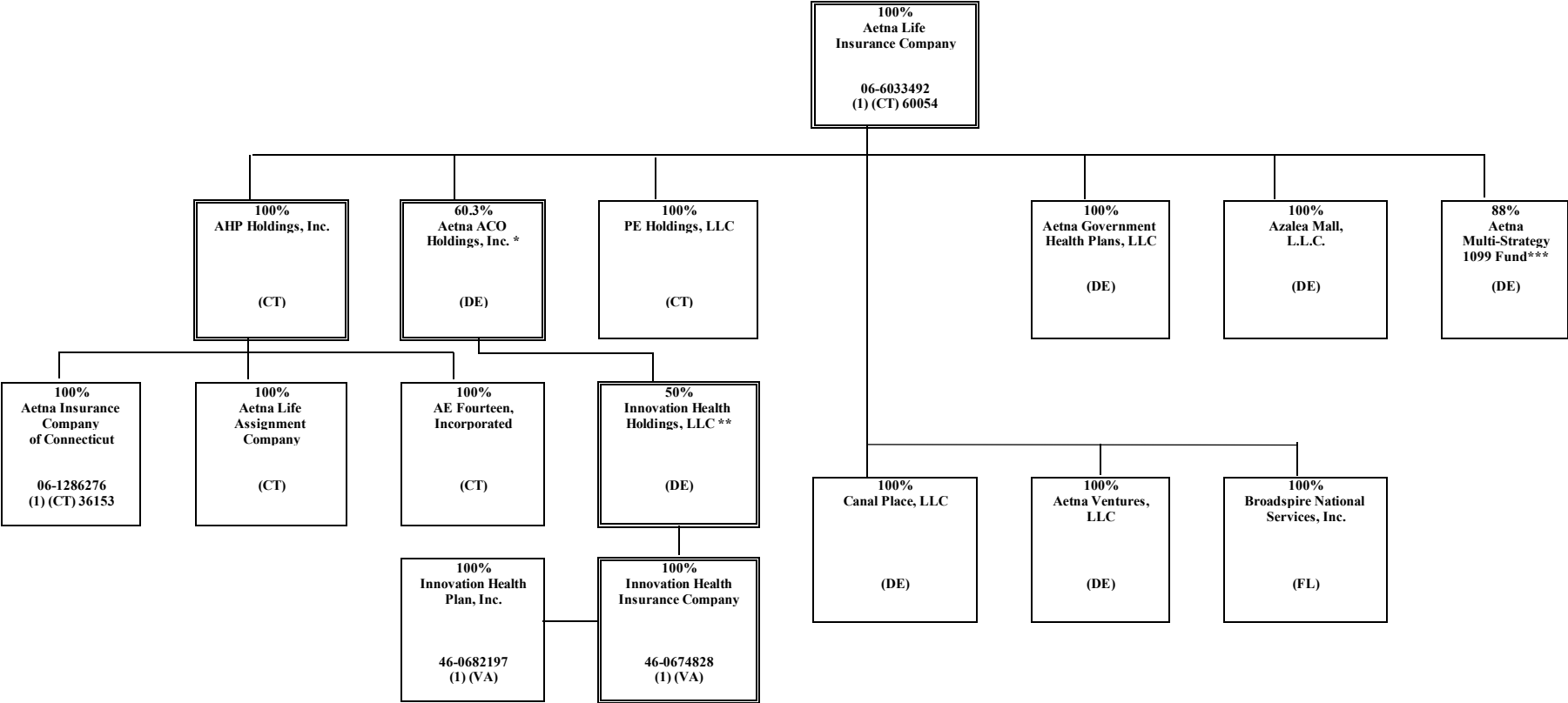
PART 1- ORGANIZATIONAL CHART



* Aetna Life Insurance Company owns the Class C participating shares of Aetna Partners Diversified Fund (Cayman), Limited.
** Aetna Life Insurance Company and Aetna Health and Life Insurance Company own substantially all of the non-managing member interests of Aetna Partners Diversified Fund, LLC.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

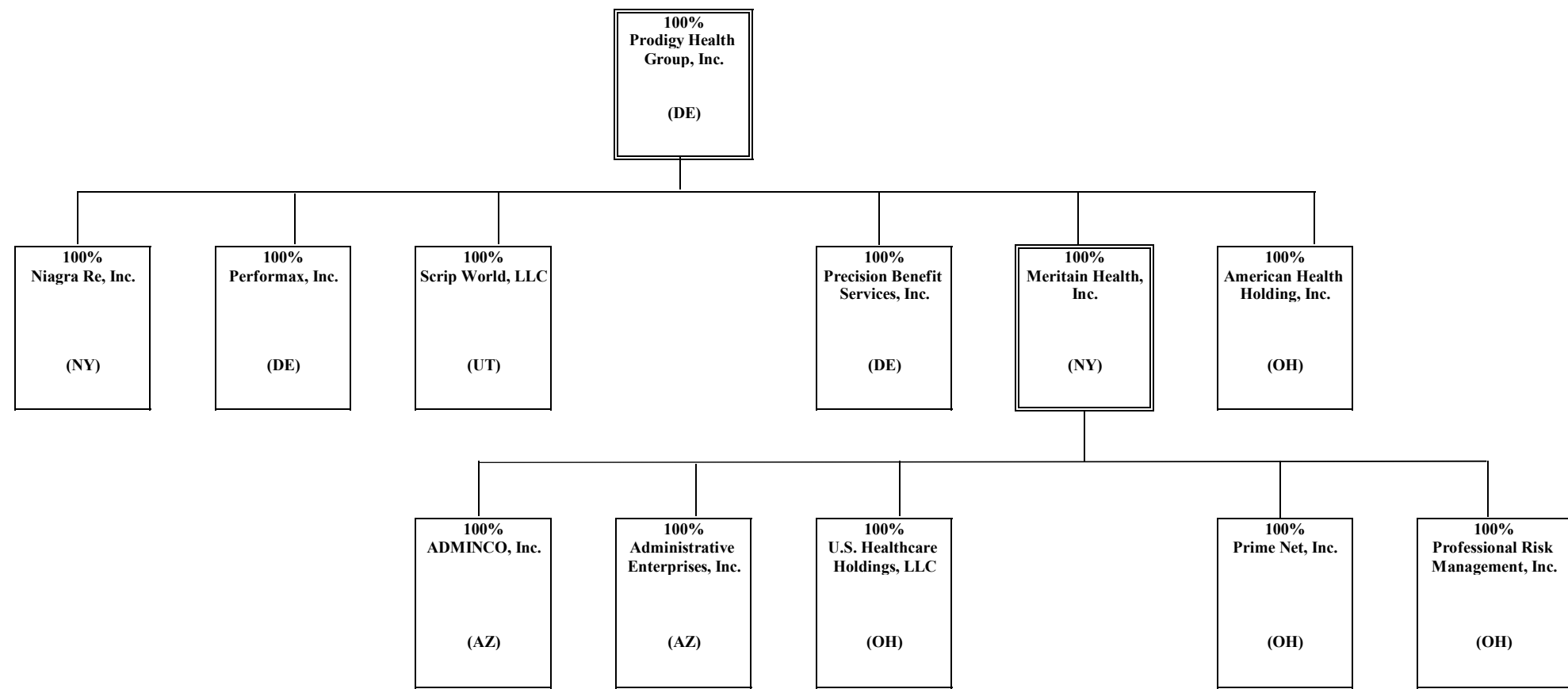
PART 1- ORGANIZATIONAL CHART



* Aetna Life Insurance Company owns 302 shares, Aetna Health Inc. (PA) owns 198 shares and Aetna Health Holdings, LLC owns 1 share.
** Innovation Health Holdings, LLC is 50% owned by Aetna ACO Holdings, Inc. and 50% owned by Inova Health System Foundation, an unaffiliated company.
***88% is invested and owned by Aetna Life Insurance Company and 12% is invested and owned by external accredited investors.

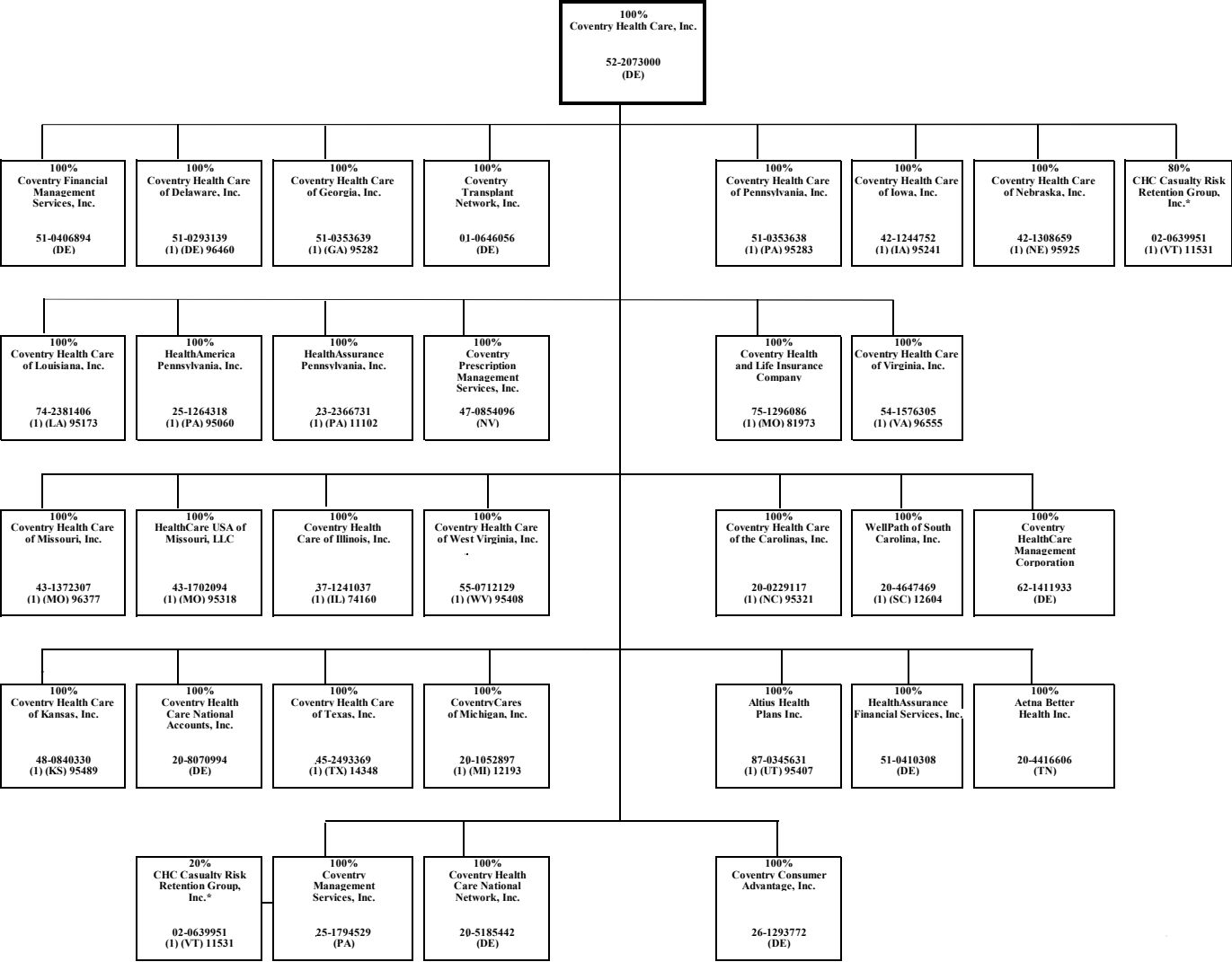
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1- ORGANIZATIONAL CHART



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

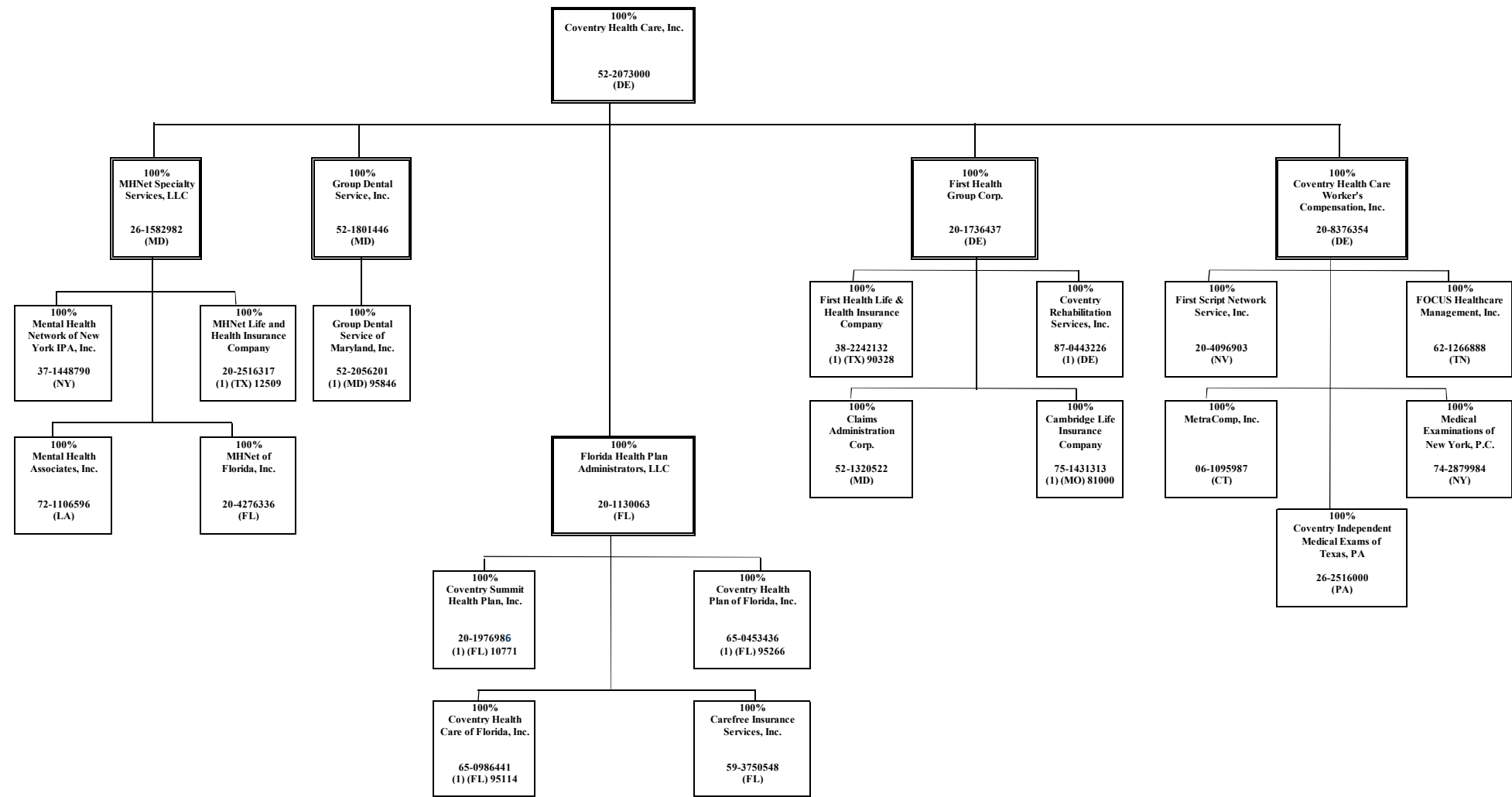
PART 1- ORGANIZATIONAL CHART



* CHC Casualty Risk Retention Group, Inc. is 20% owned by Coventry Management Services, Inc. and 80% owned by Coventry Health Care, Inc.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1- ORGANIZATIONAL CHART



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